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Egypt won't declare non-belligerency now

ASWAN (Reuter). — Egypt declared last night that it would not declare an end to belligerency with Israel until an overall settlement of the Middle East question is reached. In the meantime, it would refrain from the use of force as long as disengagement agreements are in operation.

Following is the text of a statement issued by the Egyptian Government:

The Arab States, in accepting Security Council resolution 338 have in fact accepted the termination of belligerency upon achieving the overall settlement of the Middle East problem and the establishment of a just peace.

On this basis, the Arab States do not object to the conclusion of a peace agreement with Israel, provided that Israel is not only ready, but also willing to meet the essentials of the just peace and therefore willing to fulfil its international obligations in accordance with Security Council Resolution 338.

Accordingly, it is imperative before reaching this phase to emphasize that a new disengagement agreement constitutes a major step on the road to peace.

A new agreement would generate the confidence between the conflicting parties which is necessary for the establishment of a just peace.

It is evident that the parties concerned do not resort to the use of force as long as the provisions of the disengagement agreement are valid and respected by the parties in order to proceed on all fronts towards peace.

All these considerations constitute the real framework of this new step without distorting the facts nor confusing the essentials of a just and durable peace, with agreements that pave the way for it, realising that these agreements are needed to create the atmosphere of confidence which constitutes the foundation of peace.

Sebastia settlers evicted with force on both sides

SEBASTIA. — Soldiers evicted a group of would-be settlers from the old railway station here yesterday in the briefest but more violent clash to date between the army and members of the Gush Emunim settlement group. The settlers refused to submit passively to the soldiers, as has been their policy in the past, and they had to be removed by force, several persons — both soldiers and settlers — suffering minor cuts and bruises in the process.

The eviction operation was carried out under the command of the Nablus Military Governor, and foreign TV crews were on hand to film the ugly scenes of soldiers and settlers coming to blows with and swearing at each other, of settlers fainting and their limp bodies being dragged off to the bus waiting to take them back across the "Green Line" (demarking the pre-1967 Israel-Jordan border).

The settlers, all members of the Gush Emunim group which is committed to establishing Jewish settlements in Judea and Samaria, organized themselves for the attempt on Wednesday night. They tried at first to set out for Sebastia from Petah Tikva, but they saw that their intention had been spotted and made instead for near-by Kfar Saba, intending to cross the "Green Line" from there. But before they could leave Kfar Saba, the settlers were arrested. The police took them to the local station and released them after a short interrogation.

They were not deterred, however, and part of the group, led by Meir Har-Zion — the folk hero, famous for his daring exploits behind enemy lines in the early 1950s — went on to Hadera and reached Sebastia from there. On arriving at the old railway station, the settlers continued working on the synagogue they had started building during their last settlement attempt about two weeks ago.

The order to evict them was given early yesterday afternoon, and a larger force than usual was sent to carry out the task. When the soldiers arrived, they found that about 40 men had barricaded themselves in a room on the second floor of the station. They refused to come out, and the soldiers, using ladders, climbed onto the second-floor balcony and broke down the door of the room with hammers and axes.

The settlers still refused to give in, and the soldiers had to drag each of them out, screaming curses and struggling violently, one at a time. They were passed down onto the roof of the bus waiting below, the soldiers having taken the precaution to pad the platform around the bus with mattresses in case anyone fell from the second floor in the course of the struggle.

Even then the ugly incident was not over, and the settlers continued to resist the soldiers, cursing and kicking them, as they were dragged into the bus. Some tried to break away from the soldiers, but they were pulled back screaming and crying hysterically.

One of the settlers, Hillel Handsdorfer, served in one of the Suez Canal fortresses in the Yom Kippur War, and when it fell, he was taken into captivity clutching a Torah scroll. Yesterday, he was dragged into the bus by eight Israel soldiers.

Another settler, a former paratroop officer, writhed on the ground and screamed: "Why are you tormenting us!" Several of the settlers fainted, exhausted and frustrated by the struggle, and they were unceremoniously revived with buckets of water. One woman flew at a soldier who was dragging the limp body of one of the unconscious settlers towards the bus and slapped him across the face.

Eventually the last of the settlers was loaded onto the bus, and they and all their equipment were taken to Jerusalem. They were brought to police headquarters in the Russian Compound at about 6.30 p.m., and after questioning, were all released.

At 8 p.m., however, according to the police, some of the same Gush Emunim youths and yeshiva students appeared outside the Prime Minister's Office where the Cabinet was meeting. A number of them broke through the security guards outside the building and sat inside the entrance for several minutes until police reinforcements arrived. Fifty-five youths were arrested.

The leader of the group, Menahem Felix, told "Itim" after the settlement attempt that they would continue their efforts at Sebastia despite the opposition of the Government.

"All we want to do is settle there and by so doing widen the critical Netanya-Tulkarem bottleneck which the Arabs have always dreamed of slicing through to cut the country in half."

It appears that not all the settlers were rounded up, and several managed to escape into the hills from where they hope to return to the abandoned railway station.

A group of 120 would-be settlers arrived at Ma'ale Adumim on the Jerusalem-Jericho road last night. They appear to have been the same people who settled there previously, as the first thing they did on arriving was water the trees planted on the site last time. They then built a camp-fire and sat around singing until security forces arrived and asked them to leave. Unlike the Sebastia incident, no violence was reported. (Itim)

THE SEARCH for the female Fennec fox ended successfully recently when a team from the Nature Reserves Authority found the delicate creature pictured above near the Gidi Pass in Western Sinai. The male of the species—weighing between 800 grams and one kilo, and thought to be the smallest canine in existence — had been in captivity in Israel for three years, but all attempts to capture a female and thus start a family had been unsuccessful since then. Coincidentally, a UN team captured a second female on the same day, and both have been sent to the Tel Aviv University menagerie, where, it is hoped, they will set up housekeeping with the original male and three others which have been found since. The teams which had been searching for the foxes gave a collective sigh of relief when the females turned up, since the disengagement talks have put in doubt the amount of time they have to search near the Gidi Pass.

Dr. K to Aswan today; talks oil with Faisal

By ANAN SAFADI
POST Middle East Affairs Correspondent

U.S. SECRETARY of State Henry Kissinger leaves Jerusalem this afternoon for Aswan to wrap up the prospects of an interim settlement between Egypt and Israel in Sinai, American sources said last night.

The sources told *The Jerusalem Post* that Dr. Kissinger was withholding further shuttle plans beyond tomorrow, pending the outcome of his talks tonight with Egyptian President Anwar Sadat.

The sources said that the Secretary would decide tonight whether to come back here in a bid to generate his shuttle, though cautioning that his current mission might be interrupted "temporarily." Kissinger is known to be planning an early meeting with Soviet Foreign Minister Andrei Gromyko, probably in Vienna.

U.S. officials were last night wary of predicting future moves as they awaited the results of their deliberations with Israel leaders on the current situation. The officials said that both Israel and American negotiators were last night giving the status of the negotiations "serious consideration."

Several American officials accompanying Kissinger looked grim last night as they awaited the word on the Cabinet meeting. The officials were walking around the lobbies of the King David Hotel while at the hotel bar in the background, an entertainer was singing a Hebrew song, "I promise you, my little girl, this will be the last war."

Kissinger himself and his closest aides were on the sixth floor of the hotel, appraising what observers termed "a variety of alternatives" to salvage his mission from the current impasse.

Kissinger had just arrived from a brief visit to Riyadh where he held talks with Saudi Arabia's King Faisal.

American sources said that these talks concentrated on energy problems, noting that Saudi Arabia remained the world's largest oil exporter. Sources noted the Arabian-American Oil Company (Aramco) recently cut oil production by 14.5 per cent to counter the current glut in world markets.

The sources added that Kissinger also sought Faisal's support for his current Middle East shuttle mission, especially with regard to possible concessions which Sadat might put forward once an agreement is reached between Egypt and Israel on an interim settlement.

The same sources said that Faisal could also have an influence in persuading Syria to cooperate in Kissinger's step-by-step approach to the Middle East conflict.

Syria last night was reported to have staged large-scale military manoeuvres, involving mainly its armoured forces. The manoeuvres were said to have been a rehearsal for "storming enemy positions."

Guess who's coming to Seder?

POST Diplomatic Correspondent

NEWSMEN ABOARD Dr. Kissinger's plane were told yesterday that if the Secretary is in the Middle East on Seder night, he would spend it in Israel. The newsmen assumed that, in that eventuality, he would attend Seder with the Prime Minister.

There has been a good deal of speculation as to what the Secretary would do if he found himself in the area on Seder night (next Wednesday).

Passover, it was noted, commemorates the Israelites' exodus from Egypt.

AFTER MIDNIGHT

An Egyptian official source indicated last night that President Sadat would respond favourably to an Israel appeal for returning the remains of Lord Moyne's killers.

"When the President receives the appeal, he will view it in the light of human considerations," the source said.

Settlement hopes dim

By DAVID LANDAU
Jerusalem Post Diplomatic Correspondent

WITH THE THREAT of deadlock looming over his shuttle effort, U.S. Secretary of State Henry Kissinger is now expected to step in with proposals of his own to try and bridge the gap between Israel and Egypt. The Cabinet was still sitting at one o'clock this morning, amid a feeling among observers in Jerusalem that settlement prospects would dim unless the Secretary himself acted to salvage them.

The Israeli negotiators were due to meet with Dr. Kissinger this morning to report on the Cabinet's decisions.

These observers expected the Israeli negotiators to hint to Dr. Kissinger that the time had now come, in Israel's view, for him to suggest compromise proposals of his own to the two sides. The observers recalled that it had been Dr. Kissinger's compromise ideas which had rescued the earlier disengagement shuttles when deadlock seemed imminent.

Israel was also expected to stress once again that if its political demands continued to daunt the Egyptian leadership, there was room for a more "modest" settlement. This would provide for more modest political concessions from Egypt, and more modest territorial sacrifices from Israel. Such a "modest" scenario was originally proposed by Israel back in November, but was rejected by President Sadat. The current negotiations so far have revolved around a "broad" scenario including withdrawal from the Mitla Pass and Abu Rodeis.

Yesterday began in Jerusalem with an early morning working session between the Israel and American teams. Then, as Dr. Kissinger and his aides flew to Riyadh (see below), Premier Rabin convened the Cabinet in special session to report to them on Egypt's latest position. After three hours of reports from Messrs. Rabin, Allon and Peres, the meeting adjourned while Mr Allon drove to Binyamina for

(Continued on page 2, col. 7)

50:40 vote for party loan bill

By ASHER WALLFISH
Jerusalem Post Knesset Reporter

LABOUR-HERUT request for guarantees on low-interest to consolidate party debts approved by the Knesset yesy afternoon, in a 50 to 40 vote 11 abstentions, for referral e Finance Committee.

our and Herut had no backrom any other party in the noisy and often acrimonious debate, in which Knesset blocs split into their constituent elements, and personal charges and counter-charges were added to the factual points raised.

Labour was almost totally united on the vote. In the National Religious Party, there was infighting between the three Ministers and the rest, both before and during the debate. The faction provided most of the abstentions. The confusion in the Chamber was often too much for Deputy Speaker Yehuda Yudin, in the chair, who preferred to let things drift along.

The 50:40 vote was on a motion by Yisrael Kargman (Alignment) who will be responsible for pushing the guarantees through eventually, in his capacity as chairman of the Finance Committee.

Labour Ministers were present in full strength because the Cabinet session had been interrupted while Deputy Premier Yigal Allon travelled to Binyamina for the funeral of his brother, Mordechai Allon.

The debate was opened by Shulamit Aloni (CRM) who charged that the two big parties, Labour and Herut, banded together to dispose of public funds for their specific purposes. The public had every right to know how the two parties had squandered so many millions over the years, she said. Labour and Herut got IL40m. between them in the period since election and party financing were instituted.

Today the country faced the threat of war, she said, while at home there was the shadow of unemployment. The public at this time wanted leaders to show it an example, not to let it down, she urged.

Gideon Patt (Likud-Liberals) did not contest Herut's argument that it owed money because it supported bereaved families. On that account, however, an outright grant was justified, he believed, not a loan which covered other debts as well.

He said that schools, hospitals and housing programmes were in need of more money at present, than party exchequers.

Patt warned that Knesset approval of the consolidation scheme would widen the gulf between parliamentarians and the public at large. He recalled Deputy Speaker Pinhas Scheinman's remark last week about MKs being a "privileged elite," which "caused great harm and great shame to all its Members."

Dov Zakin (Alignment-Mapam) said it was strange that the party debts had not been straightened out when the party financing legislation was passed. Politicians should not vote themselves funds whenever they were short, while telling the public to tighten its belt and make do with what it had.

Shmuel Tamir (Likud-Free Centre) said his own party would not touch one penny of the proposed money and he hoped that other parties which opposed the proposal would

(Continued on page 2, col. 5)

White licence plates now being abolished

By JUDY SIEGEL
Jerusalem Post Reporter

ICLES OWNED by new immis will look the same as those by all citizens in two or three ; anyone who purchased a car tax reductions will then be al- by the Customs and Excise rtment to remove the tell-tale plastic rim around the licence .

abolition of the white rim, was reported by *The Jerusalem Post* on Tuesday as being in orks, was announced by Cus- Director David Peled at a ng in Jerusalem yesterday of ption officials chaired by Jewgency Executive Chairman Pinapir.

white rim has enabled cus- inspectors to spot easily those s with tax privileges; if a n with no such privileges were t in the driver's seat, he would uired to pay a stiff fine. Early month, there will no longer be a conspicuous symbol, although act that the car is "privileged" till be recorded on the vehicle . There will not even be a special cipher that handicapped drivhose customs are paid for by sources) have affixed on their . (Up to a few months ago, andicapped were also required ve a white rim). At yesterday's ng, police officials agreed to on the burden of ensuring that privileges are not abused, by ing offenders to the Customs. ver, it is generally believed the police do not have the ower to take over the job of stoms inspectors.

white-rimmed licence plate the past, caused resentment persons who do not have tax ges, sometimes leading even ical damage of vehicles.

Sapir appears to have chan- mind on the white rim issue since leaving the Finance Ministry for the Jewish Agency. While he opposed removal of the white symbol in past years, he reportedly pushed for its abolition in recent months.

Mr. Sapir was highly irritated with Housing Ministry officials at the meeting. He charged that they were far behind in providing immigrants with housing. Of the 11,361 flats promised them last year, only 7,000 families received the keys to their apartments during that period. Another 4,361 units are now in some stage of construction. Sapir said the housing problem affects single and elderly immigrants more seriously.

Housing Minister Avraham Ofer said he had met with building contractors and others involved in the delay, warning them that anyone who did not meet his obligations in the future would not be given more work by the Ministry.

At the suggestion of the Agency Chairman, a three-man committee will be formed to solve the problem of some 1,000 immigrant families who have been separated in scattered parts of the country.

The officials also discussed the prolongation of customs privileges for young single persons who live in apartment hostels especially designed for them. While the extension of these privileges for all immigrants is now only in the early stages of discussion, the authorities are close to a decision to lengthen customs privileges for occupants of such hostels from three to five years. Some 3,000 of these small flats are being planned or already constructed. The Absorption Ministry, *The Post* learns, considers this type of housing as the solution to the nomadic existence of single persons from one short-term rental flat to another.

Gaza terror gang seized

GAZA. — Security forces in the last few days uncovered a network of the Popular Front for the Liberation of Palestine here and arrested 10 members. The army spokesman said the arrests thwarted plans by the group to attack a settlement in Israel.

One of the men arrested confessed he hurled a grenade at an army vehicle in the Shati refugee camp last January 25.

Itim reports that more than 50 persons have been arrested in Gaza during the last two weeks and held under preventive detention.

Strike at oil terminal

THE MARINE Workers' Committee at the Ashkelon Oil Port declared a wildcat strike yesterday evening, and stopped servicing oil tankers. They announced the strike in protest against the dismissal of 18 workers.

The Ashkelon Workers' Council, which had warned them not to strike, said it will not defend them. The dismissal notices had been sent with the knowledge of the Workers' Council.

U.S. assures Senate panel it won't sell arms to Egypt, Syria

By WOLF I. BLITZER
Jerusalem Post Reporter

WASHINGTON. — The U.S. Administration has assured a Senate committee that it has no intention of providing military assistance to either Egypt or Syria, despite recent reports suggesting that these Arab states are interested in beginning a military supply relationship with the U.S.

The Senate Appropriations Committee made this disclosure this week in a report issued following its deliberations on the foreign aid bill. The committee, which expressed its "great concern" about possible American arms supplies to Egypt or Syria, noted that the Administration should consult with the committee if it plans any changes in its policy in this regard.

"The committee is not convinced that being 'even-handed' in supplying conventional armaments to all parties involved in the Arab-Israeli conflict would best serve our national interests," the report said.

Although disapproving of military aid to the Arabs, the committee supported the current policy of supplying Israel with arms and military credits.

"The U.S. has unique cultural and political ties with the State of Israel," the committee, which must approve all foreign aid appropriations, said.

"It has been steadfast in its support of Israel since the birth of that nation in 1948... As we extend the hand of friendship to Israel's former enemies, we feel a strong need to renew our commitment to the safety and welfare of the Israeli people."

Last week, the House Armed Services Committee issued a separate report following its recent visit to the Middle East. It said that Egypt would probably be seeking U.S. arms supplies shortly, although the committee neither supported nor opposed such a request.

Regarding additional U.S. aid to Israel, the Appropriations Committee called upon the Administration to present to Congress its projected aid proposals for Israel for the next five years. The committee asked that this five-year estimate accompany the Administration's foreign aid request for fiscal 1976, which will probably be presented to Congress in the early spring.

Israel has reportedly asked the U.S. for about $2,500m. in military and economic grants and loans for the next fiscal year.

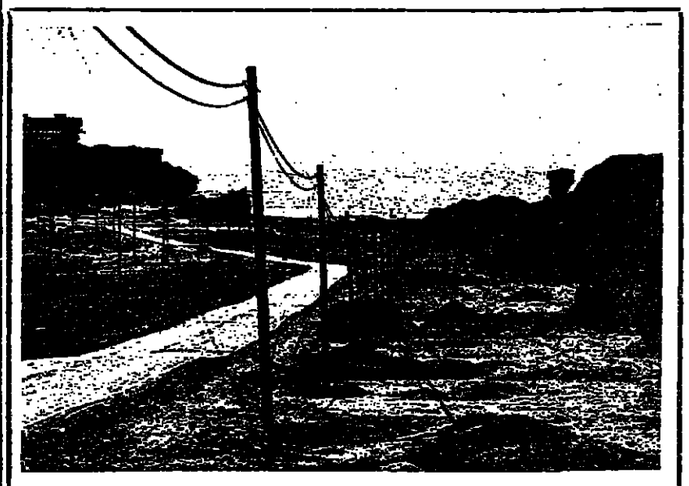
Senate passes foreign aid bill

WASHINGTON (UPI). — The Senate passed a $3,900m. foreign aid appropriations bill yesterday after stripping from it $59m. in proposed reconstruction aid for Cambodia, South Vietnam and Laos. The vote was 57 to 40.

Before final passage, the Senate added $130m. in increased funds for birth control and food programmes abroad.

The House of Representatives last Thursday passed a $3,500m. version of the foreign aid appropriations. The two bills now go to a joint conference committee to adjust the differences.

Congressional leaders meanwhile delayed further action on the separate controversy of emergency military aid for Cambodia despite the increasingly critical situation around Phnom Penh, and Administration appeals for urgent action. (See page 4.)



The end of the long road. . . .

. . . . . to Sharm e-Sheikh on a tanker truck, with Mike Goldberg and his camera.

Moshe Dayan answers questions in his living-room. Erwin Frenkel reports.

Half a century at the Hebrew University: Emeritus Professor **Leo Picard** reminisces to Philip Gillon.

Getting out of the wood: the Governor of the Bank of Israel talks to David Krivine.

Francisco Goya: an introduction to the exhibition at the Israel Museum by the chief curator, Elisheva Cohen.

this and more in tomorrow's THE JERUSALEM POST MAGAZINE

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TODAY'S ECONOMY CAR
FIAT

THE WEATHER

Forecast: Partly cloudy to fair.
Weather synopsis: Ridge over Eastern Mediterranean.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	67	8—12	9—14
Golan	76	7—14	6—14
Nahariya	58	13—19	12—20
Safad	65	5—13	6—14
Haifa	51	15—18	13—20
Tiberias	49	10—22	10—24
Nazareth	—	10—22	10—24
Afula	44	10—19	8—21
Shomron	59	18—14	9—16
Tel Aviv	64	6—18	10—20
B-G Airport	58	9—19	8—21
Jericho	48	10—24	9—16
Gaza	73	10—18	9—20
Beersheba	56	8—18	7—20
Eilat	31	12—24	10—36
Tiran	30	12—23	14—25

Social and Personal

Knesset Speaker Yisrael Yeshayahu yesterday held a luncheon for a delegation of the Socialist faction in the European Parliament, headed by Pierre Giraud of France. Apart from France, Holland, Italy, Denmark and Luxembourg were also represented in the delegation, which came to Israel directly from Egypt and Jordan. Alignment MKs Esther Herlitz, Mathilda Ghez, Nuzhat Katsav and Shalom Levin were at the luncheon for the delegation, which came to Israel as guests of the Labour Party here.

*

The 37-member UJA Cash Chairmen's Mission, led by UJA National Chairman Gerald S. Colburn, met yesterday with Minister of Finance Yehoshua Rabinowitz and Director-General of the Ministry Avraham Agmon.

*

The Mexican Ambassador, Dr. Benito Berlin, was guest at a luncheon given yesterday by the Israel-Latin America Trade Board, at ZOA House in Tel Aviv.

*

West German Ambassador Dr. Per Fischer called yesterday on Tourism Minister Moshe Kol, at his office in Jerusalem.

*

A delegation of 19 West German parliamentarians, from the State of Bremen, were the guests of Haifa Mayor Yosef Almogi yesterday. Mr. Almogi also presented the Hebrew poet, Shin Shalom, with a gift to mark his 70th birthday.

*

A group of 90 officers of the Swiss Army, including women and reservists, currently visiting the Middle East yesterday toured Armoured Corps workshops and training schools.

*

The Jerusalem Journalists' Association will hold a reception at Beit Agron tonight at 8 p.m. to mark the publication of the poet Yehoshua Tan-pei's latest volume of poetry. Addresses will be given by Prof. Dov Sadan and the poet-journalist Haim Guri.

ARRIVALS

Mr. Jesse Zel Lurie, executive editor of "Hadassah Magazine," and Mrs. Lurie, on a private visit.

Three charged with illegal exit

HAIFA.—Three young Arabs from Acre were yesterday charged in the District Court with illegal exit from Israel last January.

Mohammed Ass'ad Hamad, Mahmud Mohammed Khaled Khatib, and Kayed Abdul-Hafiz Abu Kamas, all 18, allegedly travelled by bus to Fassuta, waited till dark, and climbed the security fence into Lebanon. Shortly after they crossed the border, Lebanese soldiers arrested them and held them three weeks for questioning. They were returned at the Rosh Hanikra crossing, through the International Red Cross. *(Itim)*

The Tel Aviv Fire Brigade celebrated its 50th anniversary yesterday by giving the city's youngsters an unforgettable treat. Deprived of a costly ceremony for economy reasons, the firemen turned up at the parking lot outside City Hall, hoisting hydraulic ladders and spraying dry ice all over the area — the closest many of the children have come to playing with snow. (SBS)

NOT BINDING ON MEMBERS

Israel air security ideas in ICAO letter

MONTREAL. — Dr. Theodor Meron, Israel's Ambassador to Canada, said yesterday that the general council of the International Civil Aviation Organization (ICAO) has agreed to include some Israeli proposals for tighter air security measures in a special letter to all ICAO members.

Dr. Meron, who headed the Israeli delegation to the council meeting, told a news conference that the council, however, failed to act on Israeli proposals to assure the prosecution of offenders.

He said while the ICAO has made progress on technical measures, Israel hoped it would take a more active role in pressing for the implementation by member states, including Arab states, of The Hague and Montreal conventions on hijacking and sabotaging of aircraft.

Dr. Meron said the council letter recommends better security efforts and has no binding authority on member states. "We aren't confident that things will improve but we are doing our best to make our own contribution," he said.

The technical committee will look at such Israeli proposals as security patrols on the edges of airport to prevent firing of long-range weapons like bazookas and rockets, and controlled admission to spectator terraces.

Israel also suggested that bilateral air agreements should not be renewed with countries that refuse to prosecute air terrorists ad implement air safety rules. But the proposal was not acted upon by the council, Dr. Meron said.

Agency officials in Montreal refused to comment on the discussions, which were held in private. *(AP, JTA)*

Knesset Briefs

WHO'S WHO in the Eighth Knesset is a new booklet in Hebrew giving some basic biographical details about the 120 Knesset Members, issued for the first time by the Knesset public relations bureau.

* * *

ALLEGED CONTACTS between the PLO and the Neturei Karta ultra-orthodox sect are not supported by sufficient evidence to justify legal measures, Justice Minister Haim Zadok told Yedidia Be'eri (Likud) at question-time yesterday.

* * *

AIR RAID SHELTERS should be checked and inspected by voluntary organizations as well as the Haga Civil Defence service, a joint body of the Foreign Affairs and Defence, and the Interior Committee resolved yesterday.

* * *

CAR SEAT BELTS must be worn on interurban roads as of July 1 this year, the Knesset Economic Committee decided yesterday.

* * *

CLEANING THE HEAD — the TV satire, cost some IL600,000 to produce during 1973 and 1974, Education Minister Aharon Yadlin told Yosef Tamir (Likud) at question-time yesterday.

Mordechai Allon laid to rest

BINYAMINA. — Mordechai Allon, one of Binyamina's founding fathers and brother of Foreign Minister Yigal Allon, was buried here yesterday afternoon.

The Foreign Minister was prominent among the many members of the large Allon-Peicovitch family who gathered from throughout the country to attend the funeral. Also attending were U.S. Ambassador Kenneth Keating, Farmers' Association president Aharon Frank — who eulogized the deceased — heads of local councils and representatives of the many bodies Mordechai Allon had served on in his active public life.

Among the wreaths sent was one from U.S. Secretary of State, Henry Kissinger, and another from Ambassador Keating and his wife.

J'lem Labour chiefs vote to abolish divisions

Jerusalem Post Political Reporter

The Jerusalem Labour party Branch executive last night unanimously recommended abolishing old pre-merger divisions at all levels in the branch. This means doing away with quotas preserved for former Mapai, Rafi and Ahdut Ha'avoda in the city council, local Labour Council and in the Jerusalem party organization.

The recommendation, which will be put to the branch council meeting, was tabled by branch secretary Uzi Baram and warmly supported by Mayor Teddy Kollek, Knesset Foreign Affairs and Defence Committee chairman Yitzhak Navon (both ex-Rafi), Jerusalem City Council party whip Emanuel Zussman (ex-Ahdut Ha'avoda); and Labour Minister Moshe Baram (ex-Mapai) who did not attend the meeting.

The branch meeting also appealed to the party as a whole to do away with the old divisions. The Haifa branch has already adopted a similar resolution as a matter of principle, but it is unclear how that branch's Ahdut Ha'avoda wing will react. In Tel Aviv, discussion is still going on in the branch, and a vote is expected soon.

Councilman dies in crash

UPPER NAZARETH. — A member of the Upper Nazareth local council was killed and his son severely injured in a road accident near Migdal Haemek Tuesday evening.

Avraham Mendel, 52, and his 17-year-old son Julian were driving out of town when they collided with a tender going in the opposite direction. Julian was hospitalized in Afula.

The deceased was active primarily in religious affairs in Upper Nazareth. His coffin was positioned outside the Central Synagogue there yesterday, before burial in the local cemetery. *(Itim)*

SHAARE ZEDEK Hospital in Jerusalem held an unannounced mass casualty drill yesterday to test its preparedness for emergency. For an hour and a half, dozens of mock-wounded were rushed to the hospital, which called in doctors and nurses from their homes and channelled emergency equipment to all departments. The exercise was observed by adiministrators of other hospitals and by senior army officers.

Board approves IL320m. budget for Hebrew U.

By ERNIE MEYER
Jerusalem Post Reporter

The Hebrew University Board of Governors yesterday approved a IL319.8m. budget for the current academic year. The budget is balanced thanks to increased contributions over and above previous pledges by supporters of the university abroad, a spokesman said.

During the Board's morning sessions at the Truman Centre on Mount Scopus, the Governors heard reports from University President Avraham Harman and the Rector, Prof. Michael Rabin.

A Board member asked why student enrolment had dropped from about 18,000 to 16,000 recently. President Harman said the drop was not as big as the questioner thought, although he did not give the current enrolment figure.

Among the reasons he gave for the drop are the fact that the army has pulled over 100 soldiers out of the university's pre-academic course and has also cancelled the early-release programme, under which some soldiers, mostly from disadvantaged backgrounds, were allowed to spend the last part of their three-year service in the pre-academic course.

Additional army service over and above the compulsory three years is also causing some potential students to delay their studies, Mr. Harman said. There is also a drop in enrolment at the School for Overseas Students which is due to the world-wide decline in the number of students studying abroad.

The economic situation in Israel also induces some students to study at universities nearer their own homes, even though they might normally prefer to come to Jerusalem, he said.

Board Vice-Chairman, Prof. Milton Handler, praised the university for making up in full for classroom time lost due to the Yom Kippur War. By comparison, he said, U.S. universities gave full — though unearned — credit to students who missed classes during the university upheavals some years ago.

Mrs. A. Neiditz of the Women's League for Israel, a U.S. service organization, announced the establishment of a substantial scholarship fund for students disabled during the war.

At noon the Board members assembled for a brief ceremony outside the archaeology building on Mount Scopus, where Board President Sam Rothberg unveiled a plaque, commemorating the opening of the Hebrew University 50 years ago.

In the evening, President Katzir received the Board members at his residence where he accepted a commemorative Jubilee goblet from Mr. Rothberg. Mr. Katzir, like earlier Presidents of the State, was made an Honorary President of the University.

Jewish activists charged with 'disturbing order'

MOSCOW (AP). — Jewish activists Mark Nashpitz and Boris Tsetlyonok have been formally charged with disrupting public order, unofficial sources said on Tuesday. The two have been detained since they were arrested on February 24 after a protest demonstration and are the first Moscow Jews to face a trial for taking part in public demonstrations, Jewish sources said.

They have been charged under article 190-3 of the Criminal Code, prohibiting "the organization or active participation in group actions disturbing public order," the sources reported. Conviction carries a maximum three-year sentence.

The dissidents call this a "political" charge since Nashpitz and Tsetlyonok did not violate any laws at the brief demonstration in front of the Lenin library and did not act any differently than seven others in the demonstration who were not charged.

Nashpitz, a 27-year-old dentist, and Tsetlyonok, a 31-year-old metal worker, both have relatives in Israel and have been refused permission to emigrate. Their demonstration last month called for the right to emigrate and freedom for Jewish political prisoners.

Youngsters at the Alyn Orthopaedic Hospital and Rehabilitation Centre in Jerusalem performed on Tuesday before 14 members of the Protestant community of the Holy Spirit in Velbel, Germany. The instruments, being put to good use in music therapy classes, were purchased with a DM3,000 gift from the church group. Also attending were Mrs. Per Fischer, wife of the German Ambassador, Dr. Helmut Ruckriegel, first consul at the German Embassy, and Mrs. Teddy Kollek. (Werner Braun)

VOTE ON PARTY LOAN

(Continued from Page One)

keep away from the money as well.

The Knesset could not afford to thumb its nose at a public which was absolutely against the State guarantees, Tamir believed. Had MKs been elected on a constituency basis, they would never dare to raise their hands in support of such a measure, Tamir said.

Shlomo Lorincz (Aguda Bloc) said that while his party would vote against the consolidation loan, he thought the demagogic incitement against it by pleading the cause of hungry children, schools and hospitals did no service to democracy. There was no reason to paint the parties as monsters.

Binyamin Halevi (Independent) said it was wrong for Knesset Members to use the power of their vote to allocate funds for their own parties. "It's immoral and illegal. I would be ashamed to take part in such a vote," Halevi said.

Tawfiq Toubi (New Communist) said that the campaign of Labour and Herut expressed their moral and political bankruptcy. Both parties were responsible for the country's present political and social situation.

Yitzhak Golan (Independent Liberals) said that the power of Labour and Herut to get a Knesset majority for every conceivable measure should make them wary of using this power to secure mutual benefits.

One of the touchstones of democracy was the capacity of a party to sense what the public really felt, Golan said. He hoped Labour and Herut could take stock of the public anger and call off their scheme before it was too late.

Meir Pa'il (Moked) said the big parties' claim that the consolidation would only cost the tax payer IL2.5m. annually was ridiculous. The cost (of meeting the index linkage on the loans) would be at least IL15m.-IL20m.

Yigal Cohen (Likud-State List) said the parties had too often impaired their own image in the eyes of the public. Labour, especially, had balked at nothing over the years, to maintain its party's strength. Labour still had a great deal of property, and it was lying when it claimed the property could not be realized, he said.

Benzion Keshet (Likud-Herut) said that his party had taken loans in order to support the bereaved families of Irgun Zvai Leumi fighters and it could not default on those loans.

The demagogic slanders against Labour and Herut were based on lies, Keshet said, because the State guarantees were on loans from banks, which had nothing to do with the State Budget.

Parties which had not incurred debts were either inactive, or had not assumed challenges and tasks which required an outlay, as Herut had, he argued.

Keshet said that all the parties represented by previous speakers had enjoyed a wealth of benefits and that people in glass houses should not throw stones.

Ehud Olmert (Likud-Independent Centre) said that, while his party could not back the request for the loans, it objected to hypocrites — some even inside the Likud — who were themselves extravagant spendthrifts yet attacked others for squandering party funds. He said he was referring specifically to Shmuel Tamir, whose Free Centre party he had recently left.

Israel Kargman (Alignment-Labour) said the Israel public had proved time and again that it looked up to the parties as the bastions of the country's democracy. Those who opposed the consolidation were also those who were antagonistic to parties as such and to democracy, Kargman said.

In the vote, Aryeh Eilav was the only Labour Member to vote against.

But Yitzhak Navon, Minister of Education, and Yitzhak Ben-Aharon, Minister without Portfolio, chose to be out of the Chamber during the vote.

In the NRP caucus on the vote, the three Ministers — Yosef Burg, Yitzhak Raphael and Yitzhak Hazani — lost a battle within the faction over their demand for the consolidation.

The Herut Central Committee decided on Tuesday night by 72 votes to 72, with three abstentions, to support the loan request. Herut leadership is confident that half a third in the secret ballot the first time that any section of the main executive has come out against the decisions of the party leadership.

Yosef Kremerman (Likud-Herut), Treasurer since 1967, told the meeting that the party's debts of millions of pounds were largely caused by its financial support of IZL fighters and their families, repaying pre-Independence debts to the IZL, and more recently the cost of building party headquarters and the losses incurred by the two defunct newspapers "Herut" and later "Ha'aretz."

He said that in 1967 the party unsuccessfully to get pay the State for IZL debts. He also that Herut mosha not enjoy the easy cr accorded to kibbutzim.

Mr. Kremerman also announced the launching a fund drive among party members.

TODAY
ISRAEL WEEKLY LOTTERY 1st PRIZE HALF MILLION
פנקס הפיס

Kissinge

(Continued from Page

his brother's funeral. The reassembled at six p.m. mours that crucial decisi now have to be taken.

Despite some shift in tian position, and some in the formulation of I mands, well-placed source fundamental gap on the c tical issues of the negot mained "wide and mean

"There is no agreeme offing," one middle-of-the cy-maker said privately afternoon. "Egypt's prese cannot form the basis of ment." This policy-maker lier in the week felt the even chance of a settle professed himself less opt

Israel's demands for a gerency pact, involving pc cessions, had been design Egypt's readiness to be relationship by effectivel cing the war option, t maker recalled. Only if dical change were eviden rael risk ceding the stra and Gidi Passes, he sai such readiness, no such c apparent when the overal position was examined, he He felt this view was shared by Government Jerusalem.

Israel, he said, had whittled down its dema formal no-war pledge to minimum, to avoid Egy testations that such dem demeaning. Israel had some latitude regarding ponents of non-belligeren it could not forgo the u ponents, and Egypt's re these had been inadequa proposals as to the peri dity of the agreement far short of Israel's conc policy-maker said.

Egypt is prepared to commitment to refrain tary action "so long as towards peace is mai vague and subjective con Israel rejects. It also w Unef mandate renewable whilst Israel wants the date to continue to be and until specifically the Security Council.

Israel further demand military and supervisio of an accord be valid fo to-ten year period, wh war pledge would be open therefore valid until repl subsequent agreement (I prefer "by a peace agre

Government circles hav particularly disappointed by see as a public lin Egypt's stance by Pres at his Aswan news co Tuesday. Sadat rejecte belligerency demand, and ded as "absurd" Israel's of "open frontiers" bet and Egypt — open to S and foreign tourists — ter the Jordan "open br Israel suggestion was p one of the "components ligerency."

Dr. Kissinger himself sympathize with the rationale of non-belliger believe that the demand mal non-belligerence con unrealistic in the cont interim accord.

Flying into Israel night, a senior American told accompanying new Dr. Kissinger feared still too wide for him introduce his own bridge

In sorrow, we announce the death of my dear wife

EMMA LAMM

daughter of Shlomo Shpilberg

The funeral will leave today, Thursday, March 20, 1975, at 3 p.m., from the Municipal Funeral Parlour, 5 Rehov Dafna, for the Nahlat Yitzhak cemetery.

Mourned by
husband, Dr. Joseph Michael Lamm
sister, Greta Kempfner, New York
brother-in-law, Dr. Zvi Naftali Lamm
and all the family in Israel and abroad

With deep sorrow
we announce the death in Modena, on March 18,
of our dear sister

Prof. ANGELINA LEVI ז"ל

AUGUSTO YOEL LEVI and FAMILY

The Government of Israel
shares the grief of
Mr. Yigal Allon,
Deputy Prime Minister and Minister for Foreign Affairs,
on the death of his
BROTHER

هكذا من الاصل

YAD VASHEM — INFORMATION CENTRE
Martyrs and Heroes Remembrance Authority

ASSEMBLY
to mark the opening of
MARTYRS AND HEROES REMEMBRANCE DAY
will be held on the eve of 27 Nissan, 5735
MONDAY, APRIL 7, 1975, AT 6 P.M.
on
HAR HAZIKARON, JERUSALEM

Invitations may be obtained from the following places —

JERUSALEM

Municipal Bureaux at —

Katamon Vav	Rehov Eliezer Hagadol, near the Denmark School	3.00—7.30 p.m.
Nahla'ot	23 Rehov Bezalel	3.00—7.30 p.m.
Romema	Gross Community Centre, 5 Rehov Zichron Yaacov	3.00—7.30 p.m.
Kiryat Yovel	Lown Community Centre, Rehov Chile	3.00—7.30 p.m.
Shmuel Hanavi	Pomerantz Community Centre, 23 Rehov Shimon Hatzadik	3.00—7.30 p.m.
Neve Yaacov	Flat 1, Block 24	3.00—7.30 p.m.
Gilo	Flat 1, 5 Rehov Bosmat	3.00—7.30 p.m.
Rassco	4 Rehov Katznelson	3.00—7.30 p.m.
Town Centre	34 Rehov Yafo	all day

FOR TOURISTS
Government Tourist Office
24 King George Avenue, Jerusalem

TEL AVIV
Yad Vashem Office, 42 Sderot Chen, at the following times —

March 30	8.00 a.m.—7.00 p.m.
March 31	8.00 a.m.—7.00 p.m.
April 1	8.00 a.m.—4.00 p.m.
April 4	8.00 a.m.—4.00 p.m.
April 6	8.00 a.m.—7.00 p.m.

Rachel (Hertz) and Ami Federm

MARRIED

The wedding took place privately.
Tel Aviv, March 18, 1975

هكذا من الصحف

ISRAEL WEEKEND LOTTERY 1st PRIZE HALF MILLION

הגורל

Kissin

Joint body to decide on layoffs

Haifa Port dispute settled

YA'ACOV FRIEDLER, Jerusalem Post Reporter

FA. — The dispute between the Haifa port agement and the Labour Council here over management's dismissal of 200 temporary dores was resolved by a compromise yester- The two sides agreed to appoint a four-man mittee to review the port's work situation prospects, and determine how many of the can be kept on doing other work, in the that cargo handling would pick up again.

e compromise satisfies the demand of the agement, in that it will not have to keep on men for whom there is no work, and that e Council, in that it will be consulted in all e lay-offs. But dismissals will be made only every possibility of alternative work in the is exploited. It will also serve as a precedent other firms considering lay-offs.

e compromise was reached in the morning meeting between Ports Authority head on Remez, who returned Tuesday from id, Labour Council secretary Eliezer Molk, port manager Yoav Yassour. The agreement specifies that both sides are committed to "preventing concealed or overt unemployment in the port." The committee will comprise representatives of the Ports Authority, the Port management, the council and the tenured stevedores, and is to complete its review within four days.

The Jerusalem Post learns that the committee is likely to authorize the dismissal of most of the 200 men as inevitable, in view of the drop in cargo volume. But it will recommend keeping on a few of these men in maintenance jobs, for the time being.

Mr. Molk said after the meeting that the agreement would serve as a warning to management that they could not fire men at their whim, "on the pretext of economies." Speaking to members of the Haifa works' committees, he said that had the Council given in to the port management's "arbitrary" dismissals "it would have given the green light to other managements too." The agreement, he said, had re-established the council's prerogative to have a say in dismissals, which would be allowed only after all avenues of alternative employment are exhausted.

Eighteen oil paintings of 16th and 17th cent y artists of Holland, France and Germany were presented to the Haifa University yesterday by Mr. and Mrs. Louis Warschaw, of Los Angeles. The works are part of the large Warschaw collection and are loaned to the University for an indefinite period. Mr. Warschaw, who attended the ceremony on the campus yesterday with his wife, is an old friend and supporter of the Fund for Higher Education in Israel. In Los Angeles he is a major shareholder in two insurance companies and a large bank. He is a steady contributor to the U.J.A. and buyer of development bonds. Mrs. Warschaw is chairman of the Democratic Party in California.

The painting above of two British noblemen is by Sir Anthony Van Dyck, who was Ruben's assistant and later court painter to Charles I.

Peres slams media for 'miseducating youth'

By AARON SITTNER
Jerusalem Post Reporter

Israel's newspapers, cinemas, television and radio have dismally failed the country's youth and filled their heads with cultural drivel, Defence Minister Shimon Peres suggested yesterday.

This appalling failure, he told an audience of about 1,000 government and public sector workers in Jerusalem, not only tarnishes the image of Israel but also deprives the armed forces of badly needed manpower.

Mr. Peres was addressing the first afternoon session of the 13th Annual Conference on Public Administration at the Hebrew University's Givat Ram Campus. The two-day meeting ends tonight.

He declared: "We have been told that 25 per cent of all our girls and 10 per cent of all our boys are being rejected for military service because of low intelligence. This is a staggering statistic, which must shake us up.

I'm not so sure that all the rest of our sons and daughters who prove eligible for conscription are up to the standards we really need. Why, on a recent visit to an army unit I got to talking with a group of new conscripts. I was shocked. The only subjects they were up on were jazz, football and detective movies — nothing else whatsoever.

"I do not blame our teachers or the parents for this widening gap between the knows and know-nots. The blame lies with our newspapers and mass media. They are the real teachers today and do not seem to be doing a good job of teaching our children."

The Defence Minister also called for more settlements in Galilee — "There are not enough Jews up there. There should also be more construction in the Capital's periphery," he suggested.

Earlier in the day, the Haim Kubersky, Director-General of the Ministry of Interior, received the conference's David Rosolio Prize for outstanding and devoted public service. Mr. Rosolio was Israel's first Civil Service Commissioner.

Meeting with Technion staff to prevent strike

by YA'ACOV FRIEDLER
Jerusalem Post Reporter

A. — The Technion's administe and technical staff yesterday oon agreed to suspend their ons, pending a meeting tow between the staff committ- nd Finance Minister Yehoshua owitz to discuss their demands. meeting was arranged by r Council Secretary Eliezer and is to be attended also chnion President Amos Horev. Molk had asked the staff to the sanctions, which were d on Tuesday, in order to negotiations possible. a general meeting in the morning the 1,600-member staff had resolved to continue their fight "to the end," and to step-up the sanctions with a general go-slow, and overtime stoppage.

The staff is demanding that management pay tuition for their children at any of the country's universities. The tuition had been granted to the staffs of the other universities, and to the academic staff of the Technion itself.

If tomorrow's meeting fails to satisfy the staff, "we shall resume and intensify our sanctions promptly on Sunday," committee secretary Shula Feir said yesterday.

EILAT BOOKED SOLID FOR PESSAH

Jerusalem Post Reporter

EILAT. — Eilat is prepared for a super Pessah with all hotels — and rooms in private homes — in this southern resort booked solid. With the school vacation having started so early this year, most hotels were, in fact, already full since yesterday and will remain so until the end of the holiday.

Traditional seders are to be held at all hotels, and many Eilat families, remembering the influx two years ago and anticipating some 100,000 visitors this year, are preparing to visit relatives in the North. Those choosing to remain in Eilat are busy stocking up so as to avoid the crowded supermarkets and long petrol queues.

For campers, showers and field-toilets have been provided by the Municipality at Coral Beach, where an information desk has also been set up at the Caravan Hotel. A large parking lot has also been prepared at North Beach on the site of a former football pitch.

The latest addition to the hotel scene, the four-star Caesar Hotel, will open its doors on Pessah for a running-in period, and is already overbooked. The Mediterranean Club's newest village, "Le Coraux," is also fully booked, with a midnight flight from Lod next Thursday bringing tourists who will be arriving from Paris that same afternoon.

No cancellations at all were received in the wake of the Savoy attack in Tel Aviv, to the great satisfaction of local hoteliers.

Haifa budget set at IL402m.

Jerusalem Post Reporter

HAIFA. — Deputy Mayor Yeruham Zeisel tabled the city's 1975/76 budget, totalling an unprecedented IL402m., at yesterday afternoon's session of the City Council.

The budget proposal foresees a record deficit of IL99m., which the Administration expects to be covered by a consolidation and government grants. The council, all of whose members are now in a wall-to-wall coalition, will debate the budget at a subsequent session.

Housing priority to J'lem slum dwellers

Jerusalem Post Reporter

Residents of the "Asbestonim" huts near Jerusalem's Kiryat Ha-Yovel quarter will be given priority in government and municipal housing schemes under an agreement reached this week between Mayor Teddy Kollek and Housing Ministry Director-General David Wainshall.

The 200 families residing in the area will have a choice of a new flat, rent subsidies or mortgage loans. Some of the residents staged a violent demonstration outside the Knesset this week to demand alternative housing.

New Mapam settlements to go up in Golan, Arava

By YORAM HAMIZRAHI
Jerusalem Post Reporter

KIBBUTZ BAR-AM. — The Secretary of the Kibbutz Artzi (Hashomer Hatzair) Movement, Shimon Avidan, said here yesterday that Kibbutz Artzi will build two settlements this year — one in the Arava area, and the other in Geshor, in the central Golan Heights. They are the first of seven settlements planned for the coming years.

He said that his movement had not changed its ideology concerning the establishment of settlements in the occupied territories. The decision to build a kibbutz on the Golan Heights does not mean that Hashomer Hatzair will also do so on the West Bank and in the Gaza Strip.

In the beginning of April the movement will open its annual convention, where the delegates of 66 kibbutzim, with a total population of more than 20,000, will discuss social problems, defence, and foreign policy. Prime Minister Yitzhak Rabin will open the political session of the convention.

Mr. Avidan made his statement during a press tour of the Mapam-affiliated Hashomer Hatzair's northern border settlements.

Elder Giscard opposes Arab boycott of Israel

By YA'ACOV FRIEDLER, Jerusalem Post Reporter

AIFA. — Edmond Giscard d'Estaing, the father of the esident of France, last week sent a letter to Israel, reiterng his vigorous objections to the Arab boycott of Israel, any boycott based on racial or religious grounds, and dged to work against such boycotts.

This was disclosed by Yosef Rosh, president of the Haifa amber of Commerce, in a speech prepared for delivery this ernoon at the chamber's 43rd annual meeting at the Zion tel.

Mr. Rosh recalled that the elder Giscard d'Estaing, when ving as president of the International Chamber of Comrce in 1957, initiated a resolution opposing the Arab boycott. e anti-boycott resolution was passed by the ICC at Naples May, 1957.

The elder Giscard d'Estaing is now honorary president of ICC.

Mr. Rosh, who is manager of Bank Leumi's Northern strict, proposed in his text that the economic organizations Israel immediately initiate counter measures against the ab boycott. He called on all enterprises maintaining comrcial relations with foreign countries to convene and debate ys of fighting the boycott by economic means. "This sort action may well be more practical and effective if carried by economic enterprises and not by government departnts," he stated.

He proposed that the Israel Shipyards in Haifa be developed o a large-scale maritime industry, parallel to the aircraft lustry. "The security and economic situation of a country der siege make mandatory the establishment, within the rtest possible time, of a large maritime industry, backed by workshops and auxiliary plants to serve it," he said. The Haifa Chamber has 60 members. Today's guest of nour will be Mayor Yosef Alomgi.

Italian circus opening in time for Pessah

Jerusalem Post Reporter

HAIFA.—Israel will host this Pessah an Italian-based circus. The Rinaldo Orfi "World Festival of Arena Spectacles" will open its tent in Tel Aviv, near the Galit swimming pool, from next Tuesday, for a stay of several weeks.

The first 30 of the circus' 70 artists arrived by sea on the m.s. Enotria yesterday. The impresario, Aharon Berman, said the artists, who come from many countries, will stay in Israel for two to three months and will appear in several cities. He noted that they were coming despite the fact that other artists, such as the actors of the Viennese Burgtheater, had cancelled their tour because of "fear of the terrorists."

Opposition to Israel playing in Davis Cup

By JACK LEON
rusalem Post Sports Reporter

ON. — The opposition to Isaking part in the Davis Cup reasing, Basil Reay, Generalary of the International Lawn Federation (ILTF), told *erusalem Post* here last week. clared that "Israel has now South Africa as our major m."

an exclusive interview, Mr. explained that Israel, as an erritorial nation attached to uropean Zone, is fairly cerf being drawn against some growing number of Arab, or African countries with a status, "most of which will to play her."

listed some of the Arab states ed to the 102-nation ILTF us eligible to participate as a, Egypt, Lebanon, Libya, co, Sudan and Tunisia. He that "many African coun- vill not meet Israel," and furpointed out that about half a East European countries also art regularly in the 75-year- mpetition.

ough any ILTF member in standing is entitled to play in avis Cup, Mr. Reay declared *he regulations stipulate* that challenge of any nation can used if that nation's partici- may result in the competi- eing endangered." Mr. Reay Secretary of the Davis Cup s.

desia is barred from the event this clause. South Africa was d in 1970, but later reinstated. However, with both Colombia and Mexico declining to play South Africa in the American Zone, because of objections to apartheid, it is expected that the ban will be reimposed at a special ILTF meeting next month in Munich.

India refused to play South Africa in the Davis Cup final last year. In January India barred both Israel and South Africa from the world table tennis championships at Calcutta, the first time the two countries have been "jointly" banned from an international sports event.

Israel has been participating in the European Zone of the Davis Cup since 1949, except for two years in the American section. The draw for the 1976 European Zone will be held in London in July.

Mr. Reay, meanwhile, revealed that a new Arab Tennis Federation has been formed, based in Baghdad with 12 members, among them "Palestine."

Brooklyn comes to Jerusalem

Jerusalem Post Reporter

A group of 200 religious families from Brooklyn will be transplanted to the Ramot quarter of Jerusalem, thanks to their New York rabbi, the World Zionist Organization and the Ministry of Housing. Building of the project at Ramot, which is located between Nebi Samwil and Sanhedria, will begin in the near future.

WZO Executive Chairman Pinhas Sapir announced this week that when the 200 units are completed, 500 units for religious Israelis will be built in Ramot. He promised representatives of the group that an additional religious settlement will be constructed later, according to the needs of immigration.

TODAY'S POSTBAG

ISRAEL'S HOOPSTERS returned yesterday from a triumphant tour of the U.S., during which the national squad won seven of its eight *matches*. The tour was part of the team's warm-up for the European Basketball Championships to be held in Yugoslavia in June.

* * *

1,200 GADNA boys and girls, all in the 11th grade, climbed Massada yesterday and held a parade there after completing a hike in the Judaean Desert area.

HAIM SCHIFF has been re-elected for his third term as chairman of the Israel Hotels Association.

* * *

600 SCHOOLCHILDREN, "veteran" Israelis and newcomers, are attending "Yahdav" youth camps being held this year at youth hostels in Jerusalem, Poriah, Ein-Harod, Ramot-Shapiro and Bar-Giora. The camps are being organized by the Education Ministry's department for immigrant schoolchildren.

HEAD OF GENERAL MORTGAGE BANK:

Too many flats are being built

By MOSHE ATER
rusalem Post Economic Editor

AVIV. — More flats are being han are actually needed, Dr. Lehmann, chairman of the l Mortgage Bank, said here y in a hard-hitting criticism Government's housing policy. king at the bank's annual l meeting, Dr. Lehmann esti- that no more than 50,000 ats are required to meet the t demand. This includes about for young couples, 12,000 to for new immigrants, and 5,000 m clearing. However, 55,000 ats were started in 1974, he imilar targets have been menfor the current year, notanding the fact that many in development areas stand and cannot be sold even at d prices and convenient mortterms. The excessive volume of planned public housing activity is reflected also in the amount of subsidized mortgage loans granted for financing it, Dr. Lehmann pointed out.

Questioning the wisdom of granting subsidized, non-linked mortgage loans to finance acquisition of flats at their present price level, he said: "We are approaching an absurd situation in which young people are burdened by excessive monthly payment for their housing while later on they have to pay next to nothing because the burden of non-linked payments is whittled down by inflation."

Dr. Lehmann suggested a periodic review — at about every five years — of the mortgage terms, in order to adjust the monthly instalment to the mortgagee's financial situation. A more radical departure would be to replace the present policy of subsidizing acquisition of flats by subsidies to the monthly instalments, as in Britain and Germany. Such aid could be more easily adjusted to changing income and social circumstances, and could pave the way to the eventual resumption of rental housing, he said.

Dr. Lehmann also had harsh words to say about the neglect of proper registration of land property. The situation in this respect is rapidly worsening, as no authority seems to be concerned with improving it, he said. Last year, of the 32,466 mortgage loans granted by the bank, over 28,000 could not be registered. He added that the new law concerning contractors' responsibility for the amounts paid on account of new flats is siderstepping the difficulties involved, and ought to be revised.

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HAIFA, 120 Derech Haatsmaut, Phones: 535360, 536745
LOD, Ben Gurion International Airport, Phone: 971456

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COMING EVENTS IN BRITAIN

Spring 1975

London Fashion Fair International,
London, 4 — 7. April

Presentation of Children's Teenage Fashion,
London, 7. — 10. April

Junior Fashion Fair,
London, 7. — 10. April

Autumn Shoes Exhibition,
Harrogate, 6. — 8. April

SONEX EUROPA 75, High-fidelity equipment,
April

***INTERSHOP* — Shop and Display Equipment**
London, 18. — 21. May

DECOR INTERNATIONAL 1975,
Furnishing & Interior Design,
London, 22. — 26. June

Daily Mail IDEAL HOME EXHIBITION
London, 4. — 29. March

International Materials Handling Exhibition,
Glasgow, 19. — 24. May

LABEX INTERNATIONAL 75,
Laboratory instrumentation & technique,
London, 14. — 18. April

International Welding & Metal Fabrication Exhibition,
London, 21. — 26. April

Saigon quitting more territory; 500,000 refugees flee Hue, Central Highlands, Quang Tri

SAIGON (AP). — Government officials said yesterday South Vietnam was giving up a fourth province — and possibly a fifth including the treasured old imperial capital of Hue. More than a half million refugees fled south towards Saigon along coastal lowlands and through jungles.

The Saigon command said the exodus of frightened civilians trying to escape the encroaching North Vietnamese was the biggest of the long Vietnam war.

Five of South Vietnam's seven major highways have been cut at one point or another by Communist forces.

Officials said the Government is abandoning Quang Tri province in the face of a heavy North Vietnamese buildup and is considering giving up Thua Thien province, which includes Hue. Both are on the northern coast of South Vietnam below the demilitarized zone.

In Washington, a U.S. State Department spokesman said yesterday the "inadequate level of U.S. military aid" was one of the considerations of the Saigon Government in redeploying its armed forces.

Spokesman Robert Funseth said South Vietnam "also took into account the necessity to conserve dwindling ammunition and other supplies in the face of the Communist offensive."

U.S. Marines in 1968 spearheaded a bloody siege to retake Hue after it fell into North Vietnamese and Vietcong hands during the Tet offensive. Both Americans and South Vietnamese suffered heavy casualties. Two years later, mass graves were uncovered of 3,000 to 6,000 Hue residents massacred during the one-month occupation by the Communist-led forces.

Field reports from Hue said residents were urged to leave, but military units and male civil servants were ordered to remain as the city came under heavy rocket attack. Officials said Government offices there had been ordered to begin closing and that the state radio had moved to Da Nang with its equipment.

By pulling out of Quang Tri, Saigon has now abandoned or lost five of 44 provinces since the Paris cease-fire accord more than two years ago. It has lost or abandoned 24 of its 244 district capitals.

While Quang Tri, Kontum, Pleiku, Ban Me Thuot and Phuoc Binh city have been lost, the government still controls Saigon, Da Nang and Qui Nhon, the nation's three biggest cities, and other major cities such as Can Tho in the Mekong Delta, Bien Hoa, Tay Ninh, Phan Thiet, Nha Trang and Cam Ranh Bay.

The five provinces that have fallen or been abandoned have a total population of less than one million, or one twentieth of South Vietnam's 20 million people. Phuoc Long province north of Saigon fell last January to the North Vietnamese.

In other Vietnam-related developments:

- U.S. Secretary of State Henry Kissinger, now on his Middle East peace mission, was understood to be convinced that he would not have negotiated the Indochina cease-fire accords of 1973 if he had anticipated Congressional cutbacks in military aid to South Vietnam and Cambodia. The Ford Administration has run into Congressional opposition to its request for $300m. in emergency aid to Saigon and $222m. for Cambodia.
- The first of the refugees from South Vietnam's three Central Highlands provinces abandoned on Monday — Kontum, Pleiku and Darlac — arrived at the coastal city of Tuy Hoa in a 32-kms. long convoy that included military trucks, jeeps, artillery, and motorbikes.
- Field reports said North Vietnamese forces shelled the convoy on Highway 7B about 40 kms. from Tuy Hoa. The reports also said about 100 South Vietnamese troops fleeing from the Highlands capital of Ban Me Thuot were attacked, many killed and their vehicles destroyed.
- Analysts said President Nguyen Van Thieu approved the decision to abandon Quang Tri city for strategic reasons. Rumours persisted that Thieu did it as part of a political accommodation with the Communist side, but both U.S. and Saigon government spokesmen denied any deal.
- The Philippine government announced that South Vietnam's Deputy Prime Minister Phan Quang Dan had asked President Ferdinand Marcos to help bring about a new cease-fire in South Vietnam. The announcement said he made the request during a courtesy call.

In the Cambodia war, about 1,000 Phnom Penh students yesterday demonstrated against continued U.S. aid to Cambodia and declared they were for "any government, Communist or not, as long as it brings peace."

On the fighting front, Communist gunners rained shells on refugee-choked Neak Luong, the government's last bastion on the Mekong River, 51 kms. southeast of Phnom Penh. Military sources said government troops and some 25,000 refugees were crammed into a perimeter of about two-and-a-half sq. kms.

"It looks like a carnage there," said a U.S. source. Western observers said the town could hold out only for a few more days and one analyst said its fall would free some 10,000 rebels to move on the capital.

Areas held by Communists spread over Indochina map

NEW YORK (AP). — The map of Indochina has changed significantly in the two years since the Paris cease-fire agreements were signed in the unrealized hope of ending the fighting.

Territory held by the Cambodian government has been reduced to half a dozen "city states" surrounded by terrain controlled by the Khmer Rouge, the Communist-led rebels. These "city states" are accessible to the government only by air.

In South Vietnam, a North Vietnamese offensive is quickly swallowing up territory adjoining land captured by them along the borders in the last big offensive in 1972.

Only Laos has remained unchanged. A coalition government has succeeded in maintaining the geographical balance, with the pro-Communist Pathet Lao controlling the mountainous 80 per cent of the country, and the pro-Western forces controlling the populated region along the Mekong River.

Rebel gunners close to the Cambodian capital of Phnom Penh pound the airport, now the only lifeline to the outside world for the Lon Nol government. Pressure continues to mount against the embattled capital.

In South Vietnam, six district capitals have been lost in a week in the renewed fighting, and the North Vietnamese claim to have captured the important provincial capital of Ban Me Thuot in the central highlands. North Vietnamese and Viet Cong control has been extended to within 65 kms. of Saigon to the northwest, 88 kms. to the north, and 120 kms. to the east, and there are pockets closer to the city that are contested.

Their most spectacular gain was the capture of all of Phuoc Long province north of Saigon in January. They already controlled most of adjoining Binh Long province, and the northern half of Tay Ninh province just to the south. Tay Ninh City is reported to be a major target in the current offensive.

The Communist command has succeeded in cutting important highways in the central highlands, and now holds the western halves of the four provinces along the border — Kontum, Pleiku, Darlac and Quang Duc.

The picture in the hard-pressed northern region of South Vietnam remains unchanged, with the North Vietnamese continuing heavy pressure on the populated coast.

Sizable gains were made by the Viet Cong and North Vietnamese in the heavily populated Mekong Delta last year, particularly in the central and southern Delta provinces. However, the Cambodia border provinces, with the exception of the Plain of Reeds south of Saigon, remain in South Vietnamese hands because of heavy troops concentrations.

Bonn kidnappers hunted in Sweden

STOCKHOLM (UPI). — The suspected kidnappers of West Berlin mayoral candidate Peter Lorenz may have fled to Sweden, the Stockholm bureau chief of the Swedish Security Police said yesterday.

Chief Hans Werdmalen said information received from West German authorities "indicates the kidnappers are in Sweden," but emphasized that police were not completely sure if they were here.

At least five Marxist urban terrorists abducted Lorenz on February 27 and demanded five followers of the Baader-Meinhof gang be freed. West German authorities freed the five, who were flown to South Yemen. But the five reportedly left that country last Thursday.

Werdmalen said the search for the abductors was centred in the southern Swedish province of Skaane, near the cities of Lund and Malmoe.

An armoured troop car stands outside Lisbon's Parliament Building in case of any political demonstrations after the Government outlawed three political parties. (AP radiophoto)

Portugal denies delay in general elections

LISBON. — Information Minister Jorge Jesuino yesterday denied newspaper reports that Portugal's general elections, set for April 12, had been postponed until April 25. He said that despite "technical difficulties," every effort is being made to hold the vote on schedule.

Nevertheless, the rumours persisted, and spokesmen for the major political parties said the election campaigns, which were scheduled to begin today, could be put off until April 1.

Politicians attributed the possible delay to the efforts of the country's left-wing military rulers to form a new Cabinet on revolutionary lines. Officials have been saying privately the reshuffle was imminent for the past two days, but, so far, no official announcement has been made.

Last Saturday, Prime Minister Vasco Goncalves declared that the current Cabinet would be disbanded and the new ministers named by yesterday at the latest.

The Socialist, Communist and liberal Popular Democratic parties reported they held council meetings yesterday to discuss their campaigns, but that they were still awaiting a final word from the government before carrying out their plans.

"There is a possibility the campaigns will be put off until April," a Popular Democratic spokesman said.

The Government on Tuesday cast a giant shadow on the campaigns by outlawing the Christian Democratic Party on the right and the Maoist Party and the Workers-Peasants Alliance Party on the extreme left.

Workers, meanwhile, set up picket lines at the headquarters of the nation's gas and electric utilities yesterday in anticipation of a government move to nationalize the industries. Workers said they had set up the pickets to prevent management from destroying vital documents.

An economic programme approved by leftist military leaders before last week's seizure of private banks and insurance companies calls for eventual government control of utilities and some key industries such as steel and chemical. (AP, UPI)

Arafat can't bring gun into Canada

TORONTO (AP). — A Canadian police spokesman has said Yasser Arafat will not be allowed into Canada wearing a gun if he attends a criminology convention here next September. If Arafat brings a gun, it will be put in bond during his visit, the spokesman said. The Canada Customs Act forbids visitors from bringing in handguns.

Arafat spoke to the UN General Assembly last fall with what many observers thought was a gun in his pocket.

The Metropolitan Toronto Convention and Tourist Bureau, which is organizing the UN-sponsored conference, declined on Tuesday to reveal its date or discuss who will be attending.

How U.S. leaders cope with the hard times

WASHINGTON (AP).— WHILE THEY EXHORT other Americans to share the burdens of a reeling economy, most Government leaders have their own ways of coping with hard times.

And they have the U.S. taxpayer to thank.

High cost of food? Not at the fancy, taxpayer-subsidized dining rooms of the Capitol or Pentagon.

Prohibitive petrol prices? No problem if you've got a chauffeur-driven car at your disposal, all expenses paid.

Can't afford to redecorate? Try some new pictures from the National Gallery of Art. Or maybe some exotic plants from the U.S. Botanic Garden. No charge, except to the Federal Treasury.

Skyrocketing medical fees? Why worry, if you get free checkups, free medicine, free surgery, free ambulance service and unlimited sick leave at full salary?

Need a place to relax? Go for a swim and a sauna at the gymnasium or take a weekend at the VIP facilities at one or two National Parks.

To get really away from it all, arrange a fact-finding tour through the Far East or the Mediterrancan. Bring the wife along, travel in an Air Force jetliner, go directly to the U.S. Embassy and collect 75 dollars per day spending money.

Still strapped for cash? If you're a Congressman, you can pocket the balance of your 6,500-dollar "stationery" account — just upped from 4,250 dollars and not to be confused with separate allowances for office gear, envelopes and postage — any time you choose. No questions asked.

These are but a few among the wide variety of fringes and frills that help make life in Washington tolerable, inflation or not, for the more elite guardians of the nation's tax revenues.

Salary has never been much of a measure of an accomplished public servant's standard of living, and certainly not of his status. The real remunerative glories lie in what are politely called the perquisites and emoluments of office, which are derived from the ordinary American citizen who pays taxes.

And in that area, the personal sacrifices of most high officials appear limited to abiding by the status quo. The majority are not lavishing themselves with any luxuries, but they're clinging to a lot of increasingly valuable old ones.

There are exceptions both ways. Outgoing Labour Secretary Peter J. Brennan recently decided his successor and fellow executives could do without the two partly completed handball courts at the Department's handsome new 95 million dollar building. He also quashed plans for some plush dining facilities.

But recent publicity has done nothing to deter the Agriculture Department from proceeding with a special $150,000 dining room for Secretary Earl L. Butz.

Nor did the ongoing fuel crunch prevent then-Attorney General William B. Saxbe from resuming use of his chauffeur-driven blue Cadillac limousine last year after his aides had told the Associated Press that, like other Cabinet officers, he had given up the big car for a compact sedan. His successor, Edward Levi, also drives in the Cadillac.

In a cost-cutting move spurred by the rising price of food, the Pentagon recently decreed the end of discounts at military commissaries, leaving servicemen and their dependents to pay the higher rates of commercial supermarkets. But hundreds of top brass continue to enjoy the perquisite of taking their sustenance at one of five special dining rooms in the Pentagon. Thanks to a taxpayer subsidy of about 1 million dollars per year, they pay less than two dollars for a complete meal, including appetizer and dessert.

Similar prices prevail at the Capitol, where Senators and Congressmen have a choice of virtually dozens of facilities, ranging from the spartan comforts of staff cafeterias to the luxury and privacy of a catered affair in the ornate surroundings of the Vandenburg Room, the Speaker's Room or the Joe Martin Room.

Food is not the only bargain on the Hill. Senators can get a haircut for nothing in their own, exclusive barber shop. Elsewhere in Washington, commercial prices start at about five dollars.

A sophisticated telephone system enables lawmakers and their staffs to make unlimited calls anywhere in the nation at taxpayer expense. Although all conversations are supposed to be "official purpose only," that rule is unenforceable.

Senators and Congressmen also enjoy free and exclusive use of their own gymnasiums, complete with steam rooms, swimming pools and saunas. A professional membership at the Washington YMCA, by contrast, costs 260 dollars, and other health clubs charge up to 1,000 dollars.

CIA, FBI aid search for former Nazis living in U.S.

WASHINGTON (AP). — The CIA and the FBI have fed information to authorities tracking down alleged Nazi war criminals in the U.S., the Immigration and Naturalization Service said yesterday.

The agency is actively investigating 33 cases involving Nazi immigrants reportedly living in the U.S., its commissioner, Leonard F. Chapman, told a House committee.

Deputy Commissioner Greene said the investig in the agency's New quarters, was being gi priority and additional are diverted to the pr information surfaces.

After the hearing, h House Immigration Su Greene said the CIA a were tapped for inform the immigration agency list of from 70 to 80 July 1973, who may ha connections and were li U.S.

Later, he said, "The CIA could make inform able to us. It's standar for us to to ask for dard procedure for th it to us."

The list was devel an investigation of a was eventually deporte U.S. after she was d have been a Nazi c camp guard. The w Hermine Braunsteiner sent to West Germany was indicted in Dus month on charges con the deaths of 255,000 camp in Poland.

Greene said the FI were both used in the vestigations of 33 ca others on the list, it that 17 are dead and was available on any c

Canadian shot by terrorist's guard in Beirut

BEIRUT. — A Canadian Embassy official was seriously wounded early yesterday by a machinegun burst fired by a guard outside a Palestinian terrorist leader's house, police sources reported.

The Embassy identified the victim as Michel Richer, an employee in the Canadian Consulate's visa section for about 18 months.

Lebanese police said Richer and an unidentified woman companion were driving about 3 a.m. near the Beirut residence of Palestinian leader Abu Zaim. One of Zaim's armed guards fired, wounding Richer in the stomach and slightly wounding his companion in the hand, police sources reported. They said the terrorists claimed someone had thrown a grenade from the car.

Richer was reported in "serious, but not critical" condition in a Beirut hospital. No arrests were made.

Beirut newspapers reported yesterday that security forces had defused another booby-trapped parcel addressed to a Palestinian official. They said the letter-bomb was addressed to Jihad Bachir, director of the Shatila refugee camp in the outskirts of Beirut.

The newspapers said the parcel was contained in an envelope of the UN Relief and Works Agency for Palestine Refugees (Unrwa). (AP, UPI)

U.S. Supreme Court Aid widower

WASHINGTON (AP). — Supreme Court ruled yesterday that a federal ing Social Security ber dows but not widowers' tutional.

"It is no less importa to be cared for by its parent when that paren ther than female," Jus J. Brennan, Jr. said for

Dallas Pressess, 14, of Hamilton, Victoria, Australia, has half a foot in height for each year of his life. With a he walks down a corridor of Montreal's Notre Dame where he underwent an operation last week to limit h (AP

Chessmen agree to Fischer dema

BERGEN, The Netherlands (AP). — The International Chess Federation (FIDE) extraordinary congress yesterday voted in favour of World Champion Bobby Fischer's demand for an unlimited number of games for this year's world title match, but rejected another of the champion's conditions.

Following two days of heated discussions and a chaotic proxy fight, the congress vot to accept the proposal limited match between Soviet challenger Anat

Under the new rul player to record 10 v claim the title.

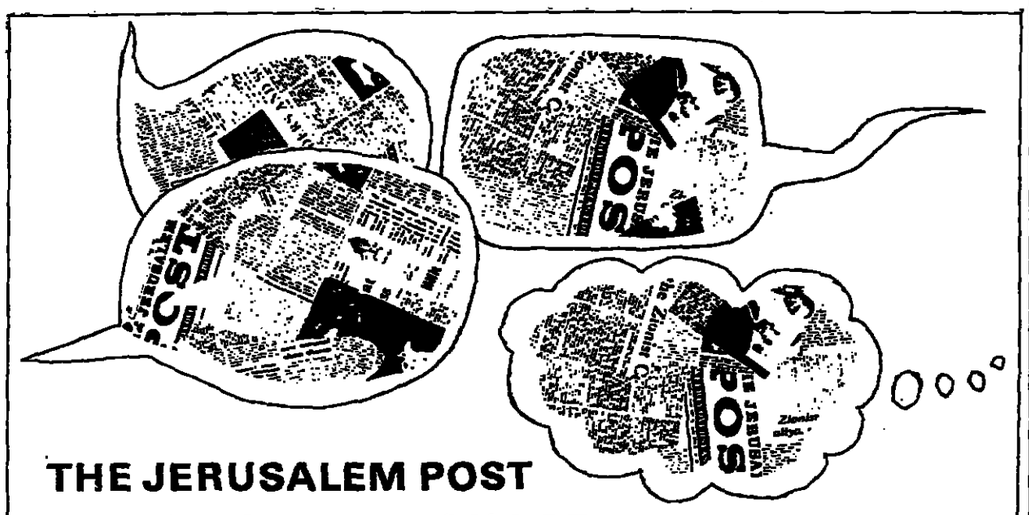
However, the congr by a 35-32 vote Fisch that he retain his cr event of a 9-9 tie.

Four shot, burned near Buenos A

BUENOS AIRES (AP). — The bullet-riddled and partially-burned bodies of four young men were found yesterday in a car parked on a deserted road south of Buenos Aires, police reported.

The victims were found gagged and with their hands their backs. Police sa probably were leftist m yet identified.

So far this year, at le of leftist militants have at the same location.



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DECLARATION OF DIVID

NOTICE IS HEREBY GIVEN that on the r mendation of the Directors, the Annual G Meeting of the Company held on March 19 sanctioned the payment of the undermen gross dividends, namely:

- 8% on the Ordinary Shares for the year March 31, 1974; and
- 8% on the "A" Shares for the year ended 31, 1974 plus 3.105%, being 10% of the of dividend accrued to March 31, 1965, said shares.
- 2% on the deferred shares for the year March 31, 1974.

Dividends will be paid on March 31, 1975 to shareholders the Share Register at that date.
The Share Registers will be closed from March 20, 1 March 31, 1975, both days inclusive.
Shareholders who have changed their address but ha notified the Company are requested to do so immedia P.O.B. 212, Jerusalem.

By order of the Bo
AMIEL COHEN
Secretary

Huge cuts in British defence to weaken Nato in Mediterranean

...DON. — Britain is being forced ...economic troubles to make huge ... in defence spending, including ...ng naval and air forces out ...he Mediterranean by 1980, a ...rnment White Paper said here ...erday.

...e White Paper said the plan-cuts would mean slashing ...sh defence spending by £4,500m. ...0 years, bringing it down to ...per cent of the country's gross ...onal income, compared with 6.6 ...cent in the U.S.

...e announcement set alarm bells ...ng at North Atlantic Treaty ...nization (Nato) headquarters in ...ium.

...came at a time of particular ...ness for the Alliance in the ...terranean area. Greece and ...ey are in deep dispute over ...us, with Greece saying it will ...draw from the military com-...ds of the Alliance. Communists ...making strong bids for power ...aly and Portugal. In Spain and ...oslavia, leaders who have kept ... governments stable since ...d War Two — Presidents Tito ... Franco — are both well into ...80's.

DETERRENT POWER

...Nato statement said this will ...e the Alliance's deterrent ...r against the Communist War-Pact countries, and urged the ...sh Labour Government to think ...t the White Paper said the ...ed cuts, involving also the ...ing of Britain's armed forces ...8,000 out of a present total of ...00, are unavoidable "because ...economic situation is now more ...us than at any time over the ...25 years."

...a bid to calm ears of Britain's ..., the White Paper promised ...aintain her contribution to Nato ...s in Europe and the Eastern ...ttic, and to make most of the ... elsewhere.

...ato, the linchpin of British ...rity," the White Paper said, ...ains the first and overriding ...e on the resources available ...efence. Our commitments out-... the Alliance must, therefore, ...oduced as far as possible to ... overstretching our forces. ...al purpose forces will be main-...d as an insurance against the ...eseen."

...White Paper also warned of ...ly growing Soviet and War-Pact armed strength, noting ..."the Soviet Union has achieved ... strategic nuclear parity with ...U.S."

...said the improved Soviet nuclear armoury includes four new types of intercontinental missiles, some carrying multiple warheads, and "Delta"-class submarines equipped with new Polaris-type missiles with a range of more than 6,600 kms.

"In addition," the White Paper said, "the Warsaw Pact faces the Alliance with a marked superiority in manpower and conventional weapons."

SPECIALIST GROUPS

A rundown of the British reductions include:

- Various British specialist groups now committed to Nato will be either reduced or abandoned.
- Britain is terminating completely its commitment to assign British maritime forces in the Mediterranean to support Nato.
- Malta has been advised that Britain means to run down its forces in the island from 1977 until 1979, when the seven-year military facilities arrangements expire.
- British commitments outside the Nato area are to be reduced wherever possible. Although forces will be maintained in such dependent colonies as Hongkong, Gibraltar, Belize and the Falkland Islands, certain cuts are to be made and costs-sharing arrangements negotiated.
- In Malaysia and Singapore, Britain will maintain its commitment to the five-power defence arrangement with those Commonwealth countries and with Australia and New Zealand, but intends to withdraw its forces. A token unit will be assigned to the combined air-defence system there, but the detachment of four Nimrod aircraft will be withdrawn next year.
- Britain intends continuing its membership in the Southeast Asia and Central Treaty Organizations (Seato and Cento), but will assign no forces to either grouping. In the case of Seato, the British will take part in fewer joint exercises. In the case of Cento, Britain will withdraw its Canberra and Nimrod aircraft by 1979, and will pull its Vulcan bomber force, which carried nuclear bombs, out of Cyprus.
- Britain also has decided to withdraw from the air-staging post on the island of Gan, in the Indian Ocean, by April 1976 and from the naval communications centre in Mauritius. The White Paper said any need for military facilities in the Indian Ocean in future will be available on the coral island of Diego Garcia, which is being expanded in collaboration with the U.S. *(UPI, AP)*

British troops, under the command of Lt.-Col. Brian Campbell, yesterday began hauling away 70,000 tons of garbage piled up in Glasgow since the start of a strike by refuse drivers 10 weeks ago. The soldiers had to kick rats to death with their boots and listen to the taunt of strikers picketing the city's three main incinerator depots. Rubbish has been piling up at the rate of 1,000 tons a day since the strike began. Here, Col. Campbell surveys one of the garbage dumps in Scotland's second largest city. (AU radiophoto)

Iran gives Iraqi Kurds deadline for going home

TEHERAN, Iran. — The Iranian government yesterday gave some 140,000 Kurdish refugees from neighbouring Iraq until April 1 to decide whether they wished to remain in Iran permanently or return to Iraq.

The Teheran ultimatum came after Iran and Iraq reached agreement to settle their border dispute and to close their borders against infiltration by "provocative elements" — Kurds crossing the border into Iraq and Iraqi Communists crossing into Iran on sabotage missions.

The Iraqi government has been battling Kurdish rebels led by Mulla Mustafa Barzani in northern Iraq for the past year, in the latest chapter of Barzani's 40-year intermittent struggle to achieve independence for the two million Kurds living in Iraq. Last week, in the wake of the Iran-Iraq agreement, the Iraqi government declared a cease-fire in the hope the Kurdish rebels would abandon their campaign.

The Iraqis have long accused Iran of giving arms and other material support to Barzani's guerrillas. Barzani also received support from the five million Kurds who live just across the border in Iran.

The Iranian announcement also said the Iranian government would willingly accept cooperation of the International Red Cross and the UN Relief and Works Agency (UNRWA) in handling resettlement of Kurds from Iraq. *(UPI, AP)*

African students protest over Zanu chief's murder

SALISBURY (AP). — African students at the University of Rhodesia have gone on a hunger strike over the murder in Lusaka of Herbert Chitepo, the Zanu (Zimbabwe African National Union) leader killed by a landmine outside his home on Monday. The students claim that Chitepo was a victim of the Rhodesian Government.

This is also the belief of members of the African National Council. Both the top Zanu man out of detention, Robert Mugabe, and the ANC publicity secretary, Dr. Edson Sithole, on Tuesday put the blame for the attack on the government. But yesterday another top ANC official of the Zapu faction noted Chitepo had agreed to go along with the ANC's peaceful detente moves.

The Tanzanian government newspaper, "Daily News," said the murder of Chitepo was part of "a series of manoeuvres by the racists and their agents to create confusion and chaos within the Zimbabwean Liberation Movement."

In the student protest, about 500 black students left the university of Rhodesia and staged a demonstration in Salisbury's Market Square. Many then headed towards the African townships.

Five students demonstrating outside the district commissioner's office in the square were held by members of the office staff. A government spokesman said there was no comment at this stage on the holding of the youths. Police denied they were arrested.

One of the students held was the son of ANC leader Bishop Abel Muzorewa.

Bishop Muzorewa was due to speak on Zambian Radio last night to call for unity among African nationalists.

It was understood that because the district commissioner is a justice of the peace, he has the power to pick up demonstrators. The demonstration was watched by about 2,000 Africans.

Chou frees all 'war prisoners'

HONGKONG (UPI). — China announced yesterday the release of 293 "war criminals" under a special amnesty proposed by Premier Chou En-lai and adopted by the standing committee of the Fourth National People's Congress.

Chou's proposal was submitted on the instructions of Chinese Communist Party Chairman Mao Tse-tung and the party's central committee, according to a New China News Agency dispatch.

In addition to granting amnesty to "all war criminals in custody," the standing committee heard a report for 1975 and was briefed on a major earthquake disaster which occurred in Northeast China early last month.

The committee was holding its second session since the fourth NPC was elected last January after a delay of several years.

Over the past two decades or more, China has made periodic releases of prisoners classified as 'war criminals.' This term has a broad definition in China, ranging from collaborators during the anti-Japanese war to spies working for the Nationalist Chinese government on Taiwan.

"A total of 293 war criminals are to be released by special amnesty this time. Among them are 219 officers of the armed forces, 21 party and government officials, and 50 secret agents of the Chiang Kai-shek clique; two war criminals of the puppet 'Manchukuo' and one war criminal of the puppet 'inner Mongolian autonomous government.' With this, we will have disposed of matters concerning all war criminals in custody," the agency said.

Big U.S. arms sale to Morocco

WASHINGTON (AP). — The U.S. Defence Department plans to sell Morocco $145.2m. in anti-aircraft guns, armoured personnel carriers and trucks. In letters to congressional committees this week, the Pentagon said it proposes to sell 80 anti-aircraft guns for $66.9m., 334 APCs for $45.2m. and 753 five-ton cargo trucks for $33.1m.

'Could have been biggest intelligence coup'

CIA salvaging Russian sub armed with N-missiles, top-secret codes

WASHINGTON. — A CIA research ship has found and raised part of a Soviet nuclear missile submarine which exploded and sank in the Pacific Ocean in 1968, Senate Democratic leader Mike Mansfield said yesterday. He thus confirmed rumours circulating in intelligence circles for some days.

Intelligence sources said that the find, known to some representatives of the news media in part but withheld at the request of the Central Intelligence Agency, was made last year and efforts would continue to raise the rest of the G-class diesel-powered submersible.

Syndicated columnist Jack Anderson broke the story on Tuesday night, releasing other reporters from restrictions.

Intelligence sources said that the Soviet sub, apparently based in the Soviet Union's Far Eastern maritime provinces, exploded for unknown reasons and sank "in very, very deep" water in an area between Hawaii and Vladivostok.

Soviet salvage ships rushed to the scene but after intensive operations abandoned the search and departed.

The CIA then learned about the loss and commissioned one of industrialist Howard Hughes' organizations — Summa Corp. — to equip a deep sea research vessel, Glomar Explorer, to find and raise the submarine for any information it contained.

Last year intelligence sources said the Soviet sub was located "in fairly good condition" on the ocean floor. Tow cables were attached and the hulk winched towards the surface but about half way up the operation ran into trouble and only about one-third of the craft was brought up. The rest, including nuclear missiles and the ship's confidential papers and codes, plunged to the bottom.

The bodies of about 70 Soviet sailors were recovered and buried at sea, the sources said, in strict accordance with the Russian Seaman's Manual and "full respects."

The sources said that the portion of the Russian sub recovered had been brought to land at an undisclosed location and studied intensively.

The Golf or G type Soviet submarine that went down is not nuclear powered but did carry nuclear missiles, the sources said. It was a modified and improved version of the diesel series and of considerable interest to the CIA in evaluating Soviet naval technology.

This was the first known recovery of a Soviet submarine of any class although several of the Russian undersea fleet have been reported lost in various parts of the world.

Mansfield said the sub was old and that its military value was not very significant, but "what it contained might have been of some value." He did not elaborate.

But the "Los Angeles Times" said the recovered portion of the Soviet sub yielded "secrets with profound national security implications."

The "Los Angeles Times," the "Washington Post" and the "New York Times" all carried in their editions stories of the July 1974 operation in 6,000 metres of water 1,200 kms. northwest of Oahu, Hawaii.

The three newspapers and Anderson also reported:

The Navy apparently had determined the exact location through detection of the sound of underwater explosions, although not in time to rescue any of the Soviet crewmen.

Hughes was approached as a cover for the operation because of his penchant for secrecy, his known interest in marine mining and his patriotism.

Revelation of the operation could have serious implications for current U.S.-Soviet negotiations to limit strategic nuclear delivery systems — the Strategic Arms Limitation Talks — according to the reports.

But proponents of the plan, including William Colby, chief of the CIA, said recovery of the entire submarine would have given the U.S. the biggest intelligence coup in history. The "Los Angeles Times" quoted Colby as saying, "we blew it (failed). I have no comment on this. I did my best."

Proponents said recovery of even a 1968 Russian code book would have been invaluable. In addition, recovery of the ship's missiles would have helped to provide standards for judging existing analysis of such weapons now compiled through satellite photography.

When Colby learned that some reporters had made inquiries about the top-secret operation, he requested that they withhold information they had gathered.

He said he did not know whether the Russians knew about the salvage operation and that he hoped to complete it. He said publication

Last June 5, Summa's offices in Los Angeles were burglarized and a number of documents were taken. Three weeks later, a Hughes official informed the CIA that a memo requesting Hughes's participation in the submarine salvage operation might have been among the papers taken.

Six weeks after the burglary, an effort reportedly was made to ransom the stolen documents for $1m. Negotiations on the ransom broke down. *(AP, UPI)*

Israel trained pigeons for military espionage

By SARAH HONIG
Jerusalem Post Reporter

TEL AVIV. — A Tel Aviv University professor said yesterday he had done research for the U.S. Air Force training pigeons to recognise aerial photographs of military interest. The Air Force would then programme the visual stimuli the birds recognized into a computer to be mounted on reconnaissance planes.

But Prof. Robert Lubow, of the university's psychology department, denied press reports his birds are engaged in espionage missions over Arab territory.

The magazine "Psychology Today" said yesterday Prof. Lubow is teaching pigeons how to distinguish man-made military objects from the air and to fly to them, UPI reported.

Fitted out with electronic transmitters, the magazine said, the pigeons provide Israel with the map coordinates of Arab military positions.

"The Israelis are easily able to locate Arab military targets with no risk to human life and without the soldiers at the particular site even being aware of what is going on," it said.

The training involves making the pigeons hungry and then showing them aerial photos of military targets and other sites. If they peck at the military targets, they are rewarded with food. If they peck at the other sites, there is no reward.

Prof. Lubow said it was theoretically possible for the birds to fly reconnaissance missions but was unwilling to state whether they had ever been sent on such missions. He said his recent work for the U.S. Air Force had been to see whether pigeons can be trained to detect man-made objects from a bird's eye view. The pigeons were shown aerial photographs of areas of military interest and were taught to respond whenever they recognized man-made additions to the landscape such as camouflage nets, roads and buildings.

The pigeons showed a unique ability to distinguish between man-made and natural objects they saw on the ground, Prof. Lubow said.

Initially his study aimed to discover the stimuli in the landscape which made the birds respond so a computer could be designed to use the same distinguishing properties. The computers were to be placed atop reconnaissance planes.

"This was our original intention, but when doing one sort of work, people always discover other uses for their findings," Prof. Lubow said, but would not elaborate.

'WHAT A PARLIAMENT'

...oul: criticism is a crime

...L, (AP). — In a lightning ... Government Party members ...day passed a bill to punish ...riticism of the government — ...at home and abroad — which ...nsidered injurious to the na... interest.

...tamarting opposition lawmakers, ... were staging a sit-in in the ...National Assembly hall, about ...Government Party legislators ...y gathered in the lawmakers' ...e and passed the controversial ...here in less than a minute.

...but an hour earlier, eight Gov...ent Party members of the 18-...judiciary committee met sec... in the Assembly library and ...d the bill.

...rmed of the bill's passage in ...lounge, the opposition law...rs immediately charged that ...s passed illegally and that it ...hus invalid.

...ew members of the opposition New Democratic Party tried to break into the lounge, but the door was locked. When the Government Party members walked out later, the opposition members jeered at them, some shouting, "what a parliament."

The bill provided a maximum penalty of seven years in prison and suspension of civil rights for 10 years for any Korean who "slanders or defames" the president or other constitutionally inaugurated officials in the course of talking to foreigners or in interviews with foreign newsmen.

Opposition leader Kim Yung-sam said his party will wage a fight to nullify the law.

Government Party spokesman Lee Hae-won said the passage of the bill through "irregular means" was unavoidable because of the opposition party's physical obstruction of legislative activity.

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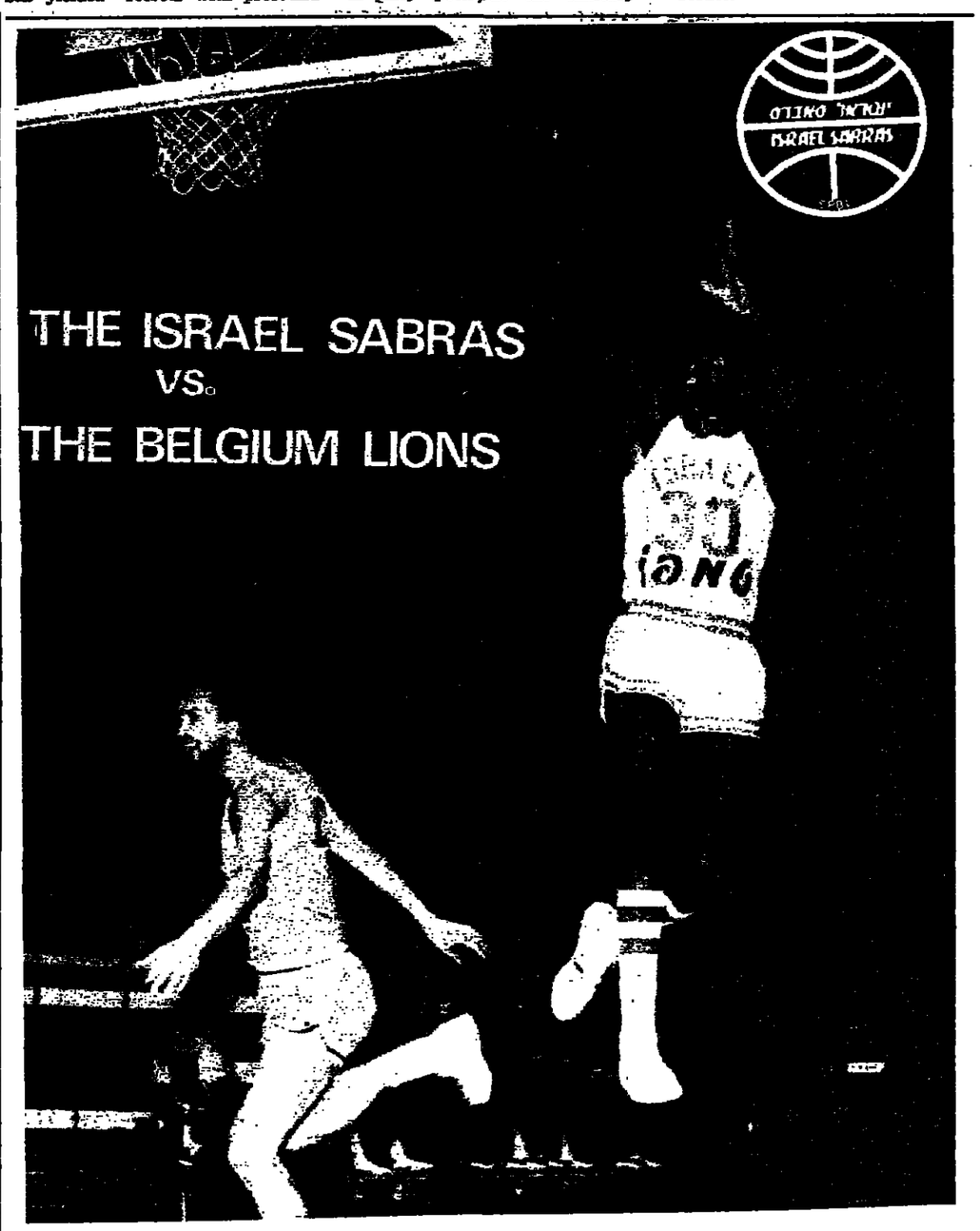

FOLLOW THE ISRAEL SABRAS

Pro Basketball Team on the way to the championship of the European Professional Basketball League!
Tonight, Thursday, March 20, 8.00 p.m. — at the Tel Aviv Sports Palace

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Special Discount Tickets, places not numbered.

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the first international bank of israel ltd. and its subsidiaries

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL		December 31, 1973 IL	
CAPITAL, RESERVES AND SURPLUS					
Share capital of the Bank	2	30,000,000		27,953,000	
Capital reserve - premium on shares	2	1,794,000		-	
Surplus					
Special reserve	3	750,000		-	
General reserve		1,650,000		750,000*	
Unappropriated earnings		4,779,000		681,000	
			38,973,000	29,384,000	
SUBORDINATED CAPITAL NOTES	4				
Series "A" Capital Notes convertible into shares		56,089,000		37,331,000	
Series "B" Capital Notes		106,700,000		54,700,000	
			162,789,000	92,031,000	
			201,762,000	121,415,000	
PARENT COMPANY'S INTEREST IN A CONSOLIDATED SUBSIDIARY			9,376,000	7,245,000*	
DEBENTURES ISSUED BY A SUBSIDIARY	5		117,470,000	44,693,000	
DEPOSITS					
Demand deposits		307,799,000		229,954,000	
Time and savings deposits		899,329,000		617,035,000	
Deposits and loans from Bank of Israel and banking institutions		164,087,000		101,109,000	
			1,371,215,000	948,098,000	
DEPOSITS FOR THE GRANTING OF LOANS					
Government deposits		158,899,000		104,642,000	
Deposits and loans from Bank of Israel and banking institutions		349,921,000		198,740,000	
Other deposits		185,231,000		108,464,000	
			694,051,000	411,846,000	
OTHER ACCOUNTS			33,475,000	19,323,000*	
LIABILITIES ON ACCOUNT OF CUSTOMERS (see contra)					
Documentary credits		100,893,000		44,670,000	
Guarantees and other liabilities		240,727,000		149,950,000	
			341,620,000	194,620,000	
			2,768,969,000	1,747,240,000	

* Reclassified

The notes to the financial statements form an integral part thereof.

	Notes	IL		December 31, 1973 IL	
CASH IN HAND AND BALANCES WITH BANK OF ISRAEL AND BANKING INSTITUTIONS			566,980,000		475,086,000
TREASURY NOTES			2,664,000		6,109,000
SECURITIES	7				
Government debentures		127,599,000		98,765,000	
Other debentures		56,469,000		1,665,000	
Capital Note		5,520,000		-	
Shares		894,000		258,000	
			190,482,000		100,888,000
LOANS TO THE GOVERNMENT - including deposits with the Treasury (of which IL.9,288,000; 1973 - IL.10,500,000 are out of deposits for the granting of loans)			78,326,000		30,030,000
LOANS AND NOTES DISCOUNTED, less provision for loan losses					
Loans and notes discounted		865,634,000		516,406,000	
Loans out of deposits for the granting of loans		678,791,000		397,019,000	
			1,544,425,000		913,425,000
OTHER ACCOUNTS			9,195,000		2,403,000
BANK PREMISES, EQUIPMENT AND OTHER PROPERTY	9		35,277,000		23,335,000
EXCESS OF COST OF NET ASSETS OF MERGED BANKS OVER RECORDED VALUE	10		-		1,344,000
LIABILITIES OF CUSTOMERS (see contra)					
For documentary credits		100,893,000		44,670,000	
For guarantees and other liabilities		240,727,000		149,950,000	
			341,620,000		194,620,000
			2,768,969,000		1,747,240,000

M. MOSEVICS — Chairman of the Board

D. GOLAN — Managing Director

BALANCE SHEET OF THE BANK AS AT DECEMBER 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL		December 31, 1973 IL	
CAPITAL, RESERVES AND SURPLUS					
Share capital	2	30,000,000		27,953,000	
Capital reserve - premium on shares	2	1,794,000		-	
Surplus					
Special reserve	3	750,000		-	
General reserve		1,650,000		750,000*	
Unappropriated earnings		4,779,000		681,000	
			38,973,000	29,384,000	
SUBORDINATED CAPITAL NOTES	4				
Series "A" Capital Notes convertible into shares		56,089,000		37,331,000	
Series "B" Capital Notes		106,700,000		54,700,000	
			162,789,000	92,031,000	
			201,762,000	121,415,000	
DEPOSITS					
Demand deposits		302,477,000		227,426,000	
Time and savings deposits		892,202,000		609,275,000	
Deposits and loans from Bank of Israel and banking institutions		164,087,000		101,109,000	
			1,358,766,000	937,810,000	
DEPOSITS FOR THE GRANTING OF LOANS					
Government deposits		78,169,000		49,470,000	
Deposits and loans from Bank of Israel and banking institutions		345,955,000		198,741,000	
Other deposits		50,371,000		12,410,000	
			474,495,000	260,621,000	
OTHER ACCOUNTS			23,890,000	14,877,000*	
LIABILITIES ON ACCOUNT OF CUSTOMERS (see contra)					
Documentary credits		100,893,000		44,670,000	
Guarantees and other liabilities		250,869,000		161,336,000	
			351,762,000	206,006,000	
			2,410,675,000	1,540,729,000	

* Reclassified

The notes to the financial statements form an integral part thereof.

	Notes	IL		December 31, 1973 IL	
CASH IN HAND AND BALANCES WITH BANK OF ISRAEL AND BANKING INSTITUTIONS			566,949,000		475,079,000
TREASURY NOTES			2,664,000		6,109,000
SECURITIES	7				
Government debentures		127,035,000		98,461,000	
Other debentures		122,981,000		6,634,000	
Capital notes		13,520,000		-	
Shares		10,532,000		7,916,000	
			274,068,000	113,011,000	
LOANS TO THE GOVERNMENT - including deposits with the Treasury (of which IL.46,013,000; 1973 - IL.10,500,000 are out of deposits for the granting of loans)			53,391,000		11,266,000
LOANS AND NOTES DISCOUNTED, less provision for loan losses					
Loans and notes discounted		721,267,000		474,616,000	
Loans out of deposits for the granting of loans		422,600,000		245,794,000	
			1,143,867,000	720,410,000	
OTHER ACCOUNTS			7,074,000	530,000	
BANK PREMISES, EQUIPMENT AND OTHER PROPERTY	9		10,900,000	6,974,000	
EXCESS OF COST OF NET ASSETS OF MERGED BANKS OVER RECORDED VALUE	10		-	1,344,000	
LIABILITIES OF CUSTOMERS (see contra)					
For documentary credits		100,893,000		44,670,000	
For guarantees and other liabilities		250,869,000		161,336,000	
			351,762,000	206,006,000	
			2,410,675,000	1,540,729,000	

M. MOSEVICS — Chairman of the Board

D. GOLAN — Managing Director

NOTES TO THE FINANCIAL STATEMENTS

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

1. Accounting Policies

The principal accounting policies followed in the preparation of the financial statements, which conform to the directives issued by the Examiner of Banks, are as follows:-

a. Principles of consolidation

The consolidated financial statements include the audited statements as at December 31, 1974 of the Bank and all its subsidiaries of which the principal ones are "Merav" Mortgage and Savings Bank Ltd. which is 50.01% owned and controlled (the remainder is held by the Bank's parent company) and Fortuab Investment Company Ltd. which is wholly owned and controlled.

The financial statements of the provident funds managed by the Bank are not included in the consolidated statements, as the Bank has no part in their assets and income.

b. Foreign currency and linkage

Assets, other than securities, and liabilities in foreign currency and those which are linked, are stated as follows:-

Those in foreign currency or linked thereto - at the official rates of exchange on balance sheet date. (The rate of exchange of the U.S. dollar was IL.6 - $ 1; 1973 - IL.4.20 = $ 1);

Those linked to the consumer price index - according to the latest index published prior to balance sheet date;

Those optionally linked to the consumer price index, or not linked - at the higher of the two figures based on linkage to the consumer price index, plus interest, or without linkage but at a higher rate of interest.

c. Interest and linkage differences

Accrued interest and linkage differences on assets and liabilities are included in the balance sheet in the respective items to which they relate.

d. Income and expenses in foreign currency

Income and expenses in foreign currency for the period up to November 10, 1974 (day on which the official rate of exchange of the Israel pound was changed in relation to the U.S. dollar) have been included in the statement of income at the rate of IL.4.20 = $ 1. Those originating thereafter have been included at the rate of IL.6 = $ 1.

The net income arising from the adjustment of assets and liabilities in foreign currency following the aforementioned change in the rate of exchange is included in the statement of income in the item "Commission and other income".

e. Debentures and Treasury Notes

Debentures approved for investment are stated at cost plus accrued income.

Other unquoted debentures are stated at cost plus accrued income while those quoted are carried at the lower of cost plus accrued income or market, each series of debentures being valued individually.

Capital Notes are stated at cost plus accrued interest.

Treasury Notes are stated at cost plus accrued interest

"Accrued income" means linkage differences and interest accrued on the debentures since acquisition, plus a proportionate part of the excess of par value and accrued pre-acquisition interest and linkage differences over cost.

f. Shares

Investments in shares of subsidiaries are stated in the Bank's financial statements on an equity basis, i.e. at cost plus the Bank's equity in post-acquisition reserves and earnings.

Investments in other shares - quoted, are stated at the lower of cost or market, for each share separately) and unquoted, at cost, not exceeding net asset value.

g. Provision for loan losses

The provision for loan losses which is deducted from the amount of "Loans and notes discounted" has been made on the basis of an evaluation of each individual debt.

h. Bank Premises, Equipment and Other Property

These assets are included at cost less accumulated depreciation. Depreciation is calculated by the straight line method at annual rates considered to be adequate to write off the assets over their estimated useful lives.

i. Excess of Cost of Net Assets of Merged Banks over Recorded Value

This item has been amortized by set-off against capital reserve composed of amounts received as premium on shares.

j. Amortization of Debenture issue expenses

Debenture issue expenses of the subsidiary "Merav" Mortgage and Savings Bank Limited, are being amortized over the redemption period of the debentures and in proportion to the balances outstanding.

k. Taxes on Income

The provision for taxes on income is after deduction of the income tax applicable to the dividends declared for the current year.

l. Service Tax

Service tax payable under the Service Tax Law (Banking Institutions and Insurance Companies) - 1972 is included in the statement of income as follows:-

That part which is based on income - under "Provision for Taxes on Income"

That part which is based on salaries - under "Other Expenses".

m. Inner Reserve

In compliance with instructions of the Examiner of Banks effective in the current year the inner reserve has been included in the balance sheet under "Surplus".

Applicable figures at the end of 1973 have been restated to reflect the inclusion of the inner reserve as part of the surplus.

2. Capital and Premium on Shares

a. The share capital comprises:-

	December 31, 1974 (1973 - same) Registered IL	Issued IL	Paid up share capital as at December 31, 1974 IL	1973 IL
Ordinary shares of IL.100 each	199,999,000	81,699,000	30,000,000	27,953,000
Founders' share	1,000	1,000	-	-
	200,000,000	81,700,000	30,000,000	27,953,000

b. Ordinary shares

These shares comprise:-

Issued as fully paid up in consideration for the net assets of the merged banks	23,397,000	23,397,000	23,397,000
Issued at par value	27,012,000	1,491,000	1,975,000
Issued at a premium of IL.12,516,000	31,290,000	5,202,000	3,181,000
	81,699,000	30,000,000	27,953,000

c. Premium on shares

Part of the premium on shares received in the amount of IL.12,516,000 (of which IL.3,158,000 was received in the current year) served to amortize fully the excess of the cost of the net assets of merged banks over their recorded cost (IL.1,344,000 in the current year and IL.9,376,000 in the preceding period).

3. Special Reserve

The Bank appropriated, out of its earnings IL.650,000 (the group - IL.750,000), based on a percentage of the clients' liabilities, to the "Special Reserve" which is shown under "Capital Reserves and Surplus". To the extent required and in accordance with a Directors' resolution, amounts will be re-transferred from this reserve to unappropriated earnings if and when unexpected loan losses arise.

4. Subordinated Capital Notes

a. Series "A" capital notes, registered and convertible into ordinary shares

The Bank issued to its parent company the aforementioned capital notes, at a par value of IL.81,699,000, out of a total issue of IL.85,200,000; IL.23,397,000 of the amount paid-up on capital notes relates to wholly paid capital notes given in consideration for the assets of the merged banks, IL.31,342,000 relates to fully paid-up capital notes and IL.1,590,000 relates to capital notes of a par value of IL.26,964,000 issued and not yet fully paid up. The unpaid balance will be called up at various times but not later than October 1, 1978.

These capital notes are redeemable, to the extent that they are not converted into shares, as mentioned hereunder, by equal consecutive half-yearly payments commencing January 1, 1988, and ending July 1, 1997 and, in the event of a winding-up, will rank pari-passu with the series "B" capital notes and subordinate to the deposits and other liabilities.

The above capital notes are convertible, in each year of the years 1977 to 1987, into the Bank's ordinary shares at par value, subject to adjustments to be made in the event of the distribution of bonus shares prior to the conversion dates for the capital notes in accordance with the conditions of issue thereof.

The outstanding balance of these capital notes bears interest at a basic minimum rate of 10% per annum with an additional interest of 2.2% for the year 1974 (for the period ended December 31, 1973 - 1.7%). In respect of 1975 and subsequent years, additional interest would be due if the average rate of dividends declared for the two years immediately prior to the year in respect of which the interest is paid exceeds 10%. The rate of additional interest payable shall be one-half of the said excess.

b. Series "B" Capital Notes, Registered

The Bank issued to its parent company capital notes of the above mentioned par value of IL.157,900,000, of which IL.146,700,000 has been paid-up by balance sheet date and the remaining balance will be called up at various times, but not later than October 1, 1978.

These capital notes are redeemable in equal consecutive half-yearly payments commencing January 1, 1993, and ending July 1, 2001 and, in the event of a winding-up, will rank pari-passu with the series "A" capital note and subordinate to the deposits and other liabilities.

The outstanding balance of the capital notes bears interest at the rate of 10% per annum.

5. Liens

The debentures of the subsidiary, "Merav" Mortgage and Savings Bank Limited, are secured by floating charges on its assets. Another subsidiary is under an obligation to register mortgages on its real estate property to secure loans given to it.

6. Staff Severance Pay

The provision for severance pay, which is included under liabilities in the item "Other Accounts", together with regular payments for, inter alia, premiums in connection with managers' insurance, cover the commitments of the group for severance pay to its employees.

The amounts accumulated in the severance pay funds are included under assets in the item "Other Accounts". Profits accrued in the severance pay funds amounting to IL.972,000 (preceding period - immaterial) are included in "Commission and other income". The amount provided in the current year for severance pay is included in the statement of income in the item "Salaries and related expenses".

(Continued on the next page)

נכון מן המקור

the first international bank of israel ltd. and its subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL.	For the period of 15 months ended December 31, 1973 IL.
OPERATING INCOME			
Interest			
On loans and notes discounted*		250,007,000	123,030,000
On deposits with Bank of Israel and banking institutions		34,860,000	40,950,000
On debentures approved for investment*		59,136,000	23,459,000
Other income (net) from securities*		1,956,000	1,065,000
Commission and other income		31,309,000	22,190,000
		377,268,000	210,694,000
OPERATING EXPENSES			
Interest on deposits and loans*		223,577,000	126,771,000
Interest on capital notes convertible into shares		6,280,000	4,925,000
Interest on other capital notes and debentures		43,351,000	12,603,000
Commission		2,310,000	1,283,000
Provision for loan losses		665,000	570,000
Salaries and related expenses		38,948,000	28,993,000**
Occupancy of bank premises, net		5,237,000	3,782,000
Depreciation of bank premises, equipment, installations and other property (including amortization of leasehold rights)		1,496,000	1,313,000
Other expenses		14,001,000	11,858,000
		335,865,000	192,098,000
Operating income, before taxes on income		41,403,000	18,596,000
Provision for taxes on income	14	24,670,000	9,303,000**
Operating income, after taxes on income		16,733,000	9,293,000
Gain on sale of a building, net of land betterment tax		684,000	-
		17,417,000	9,293,000
Equity of the parent company in the net earnings of a consolidated subsidiary		2,669,000	1,062,000
Net earnings		14,748,000	8,231,000

APPROPRIATION OF EARNINGS

Unappropriated earnings at the beginning of the year		681,000	-
Net earnings for the year (preceding period - 15 months)		14,748,000	8,231,000
		15,429,000	8,231,000
Cash dividend - gross	15	9,000,000	6,800,000
Transfer to general reserve	1m	900,000	750,000**
Transfer to special reserve	3	750,000	-
		10,650,000	7,550,000
Unappropriated earnings at end of period		4,779,000	681,000

* Including linkage increments
** Reclassified.

The notes to the financial statements form an integral part thereof.

STATEMENT OF INCOME OF THE BANK

For the year ended December 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL.	For the period of 15 months ended December 31, 1973 IL.
OPERATING INCOME			
Interest			
On loans and notes discounted*		140,197,000	88,141,000**
On deposits with Bank of Israel and banking institutions		34,860,000	40,950,000
On debentures approved for investment*		60,758,000	23,459,000
On a subsidiary's debentures, not approved for investment*		10,643,000	1,106,000**
Dividends from subsidiaries		690,000	210,000
Other income (net) from securities*		1,957,000	1,065,000
Commission and other income		30,846,000	21,824,000
		279,951,000	176,755,000
OPERATING EXPENSES			
Interest on deposits and loans*		175,777,000	105,344,000
Interest on capital notes convertible into shares		6,280,000	4,925,000
Interest on other capital notes		7,443,000	5,537,000
Commission		2,310,000	1,333,000
Provision for loan losses		665,000	570,000
Salaries and related expenses		38,082,000	28,401,000**
Occupancy of bank premises, net		4,867,000	4,226,000
Depreciation of bank premises, equipment, installations and other property (including amortization of leasehold rights)		1,248,000	970,000
Other expenses		13,609,000	11,576,000
		250,281,000	162,882,000
Operating income, before taxes on income		29,670,000	13,873,000
Provision for taxes on income	14	16,900,000	6,520,000**
Operating income, after taxes on income		12,770,000	7,353,000
Equity of the Bank in the retained earnings of a subsidiary		1,978,000	878,000
Net earnings		14,748,000	8,231,000

APPROPRIATION OF EARNINGS

Unappropriated earnings at the beginning of the year		681,000	-
Net earnings for the year (preceding period - 15 months)		14,748,000	8,231,000
		15,429,000	8,231,000
Cash dividend - gross	15	9,000,000	6,800,000
Transfer to general reserve	1m	900,000	750,000**
Transfer to special reserve	3	750,000	-
		10,650,000	7,550,000
Unappropriated earnings at end of period		4,779,000	681,000

* Including linkage increments
** Reclassified.

The notes to the financial statements form an integral part thereof.

NOTES TO THE FINANCIAL STATEMENT (continued)

7. Securities (including payments on account)

a. These comprise:-

	As at December 31, 1974 Unquoted Recorded value IL.	Quoted Recorded value IL.	Quoted Market IL.	As at December 31, 1973 Unquoted Recorded value IL.	Quoted Recorded value IL.	Quoted Market IL.
In the consolidated balance sheet:						
Debentures approved for investment						
Of the Government	35,207,000	85,844,000	93,068,000	32,974,000	64,074,000	64,331,000
Other	42,879,000	10,279,000	11,057,000	-	-	-
	78,086,000	96,123,000	104,145,000	32,974,000	64,074,000	64,331,000
Other Debentures						
Of the Government	6,534,000	24,000	24,000	-	1,717,000	1,717,000
Other	585,000	2,726,000	2,726,000	-	1,865,000	1,865,000
	7,109,000	2,750,000	2,750,000	-	3,582,000	3,582,000
	85,195,000	98,873,000	106,895,000	32,974,000	67,656,000	67,913,000
Capital Note	5,520,000	-	-	-	-	-
Shares	12,000	882,000	928,000	12,000	246,000	246,000
In the Bank's balance sheet:						
Debentures approved for investment						
Of the Government	34,643,000	85,844,000	93,068,000	32,870,000	64,074,000	64,331,000
Of a subsidiary	2,880,000	7,383,000	8,133,000	-	-	-
Other	42,879,000	10,279,000	11,057,000	-	-	-
	87,182,000	103,506,000	112,278,000	32,870,000	64,074,000	64,331,000
Other debentures						
Of the Government	6,534,000	24,000	24,000	-	1,717,000	1,717,000
Of a subsidiary	49,422,000	47,000	47,000	4,769,000	-	-
Other	585,000	2,726,000	2,726,000	-	1,865,000	1,865,000
	56,531,000	2,797,000	2,797,000	4,769,000	3,582,000	3,582,000
	143,713,000	106,303,000	115,075,000	37,639,000	67,656,000	67,913,000
Capital Notes						
Of a subsidiary	8,000,000	-	-	-	-	-
Other	5,520,000	-	-	-	-	-
	13,520,000	-	-	-	-	-
Shares						
Of subsidiaries	9,638,000	-	-	7,659,000	-	-
Other	12,000	882,000	928,000	11,000	246,000	246,000
	9,650,000	882,000	928,000	7,670,000	246,000	246,000

b. The recorded values of the debentures and capital notes include accrued income as follows:-

	December 31, 1974 Consolidated IL.	December 31, 1974 Bank IL.	December 31, 1973 Consolidated IL.	December 31, 1973 Bank IL.
Debentures approved for investment	51,307,000	53,341,000	22,456,000	22,456,000
Other debentures	263,000	10,872,000	40,000	839,000
Capital notes	320,000	320,000	-	-
	52,890,000	64,533,000	22,496,000	23,305,000

8. Debenture Issue Expenses

The unamortized balance of the debenture issue expenses of "Mezrav" Mortgage and Savings Bank Limited in the amount of IL. 2,326,000 (1973 - IL. 1,721,000) is included in the consolidated balance sheet under assets in "Other Accounts".

9. Bank Premises, Equipment and Other Property

a. This item includes premises occupied by the Bank, leasehold rights, installations, leasehold improvements, equipment and office furniture, including payments on account. Certain of the Bank's premises have not as yet been registered at the Land Registry in the name of the Bank or its subsidiaries.

b. Buildings owned by the subsidiary, "Mezrav" Mortgage and Savings Bank Limited, are included in the consolidated balance sheet at cost to the group less accumulated depreciation. Cost to the group includes an amount of IL. 6,263,000 (1973 - IL. 5,450,000) representing the excess of real value, on the basis of a valuation by a land assessor, of the buildings owned by the above named subsidiary over their recorded value on acquisition. The unamortized balance of the above mentioned amount at balance sheet date is IL. 5,861,000 (1973 - IL. 5,318,000). In management's opinion there is no necessity to provide for land betterment tax which would be payable on the sale of the buildings as they are held for the use of the group and are not intended to be sold.

c. Several of the premises are held by the Bank on long term leases which will expire in the years 1983 - 1984. Rentals are linked to the consumer price index, but in the case of one lease the basis for the rentals is calculated as a percentage of the current value of the property. *Annual rentals payable*, based on conditions prevailing at balance sheet date, amount to approximately IL. 1,800,000.

10. Excess of cost of Net Assets of Merged Banks over Recorded Value

This excess has been amortized by set-off against the premium received on shares (see 2c).

11. Balances with Bank of Israel

	December 31, 1974 IL.	1973 IL.
Deposits in Israel currency with Bank of Israel in connection with funds for the financing of export - included in "Cash in hand and balances with Bank of Israel and Banking Institutions"	37,489,000	66,146,000
Credits received from Bank of Israel for the granting of loans - included in "Deposits and *loans from Bank of Israel and from Banking* Institutions for the granting of Loans"	273,247,000	139,737,000
Amount received from Bank of Israel - included in "Deposits and loans from Bank of Israel and from Banking Institutions"	8,686,000	12,011,000

12. Parent Company and Subsidiaries

The under-noted balance sheet items include balances of the parent company and of subsidiaries as follows:-

	December 31, 1974 Parent Company IL.	December 31, 1974 Subsidiaries IL.	December 31, 1973 Parent Company IL.	December 31, 1973 Subsidiaries IL.
In the consolidated balance sheet				
Loans and notes discounted	4,073,000	-	21,056,000	-
In the Bank's balance sheet				
Loans and notes discounted	4,073,000	35,790,000	21,056,000	22,466,000
Loans out of deposits for the granting of loans	-	86,000	-	-
Liabilities of customers for guarantees	-	10,143,000	-	11,386,000
Demand deposits	-	1,873,000	-	555,000
Other deposits for the granting of loans	-	36,735,000	-	-

13. Operating Expenses

a. The item "Interest on deposits, savings and loans" includes interest paid to Bank of Israel in respect of deficiency in liquid assets.

b. The item "Other expenses" includes IL. 1,369,000 (1973 - IL. 882,000) in the consolidated balance sheet and IL. 1,254,000 (1973 - IL. 885,000) in the Bank's balance sheet being that part of the service tax which is levied on salaries.

14. Taxes on Income

The provision for taxes on income has been computed after taking into account the following:-

Dividend paid during the year; expenses not recognized for tax purposes; certain income from securities which is subject to a reduced rate of tax.

The provision includes an amount of IL. 1,814,000 (1973 - IL. 810,000) in the consolidated balance sheet and IL. 1,649,000 (1973 - IL. 450,000) in the Bank's balance sheet being that part of the service tax which is levied on income.

No assessments have been received by the Bank for the period since its incorporation.

15. Cash dividend - gross

This comprises:-

	For the year 1974 IL.	For the period of 15 months ended December 31, 1973 IL.
Interim dividend (1974 - proposed as final)	9,000,000	5,400,000
Final dividend	-	1,400,000
	9,000,000	6,800,000

16. Commitments and Contingent Liabilities

There are commitments and contingent liabilities in respect of the following:-

	December 31, 1974 Consolidated IL.	December 31, 1974 Bank IL.	December 31, 1973 Consolidated IL.	December 31, 1973 Bank IL.
a. Forward contracts for the purchase and sale of foreign currencies for account of clients	1,679,000	1,679,000	9,930,000	9,930,000
b. Improvements to and acquisition of buildings	1,356,000	868,000	1,282,000	-
c. Uncalled share capital of subsidiaries	-	21,000	-	21,000
d. Guarantees (including those given to Courts) in connection with contingencies which may arise as a result of certain events	2,883,000	2,883,000	316,000	316,000
e. Claims - including claims for damages*	4,192,000	4,192,000	8,115,000	8,115,000

* These claims were made against the merged banks. In the opinion of the legal advisers who are dealing with these claims, the claimants have no reasonable prospects of success. Furthermore, counter-guarantees have been received indemnifying the Bank for any loss resulting from the said claims. Accordingly, no provision has been made for such claims.

f. Possible claim for additional taxes on income for the year 1972 which may arise in respect of Export Bank Limited which was merged in the Bank. There exists an undertaking by a third party to indemnify the Bank for any loss that may arise in the event of such claim.

g. Guarantee by the Bank to members of provident funds, managed by the Bank, for the due repayment of the principal sums deposited by the members in the funds. The value of the assets of these funds, as at balance sheet date, is in excess of the amounts guaranteed by the Bank. The total amount deposited by the members of the funds as of December 31, 1974, according to unaudited balance sheets, is IL. 84,263,000 (1973 - audited balance sheets - IL. 42,234,000). The assets of these funds as of December 31, 1974, according to unaudited balance sheets, are IL. 125,290,000 (1973 - audited balance sheets - IL. 66,663,000).

h. On December 31, 1974 the Bank entered into an agreement whereby it undertook to acquire the banking business of Halvaa Vehiseachon Hadera Cooperative Society Limited in consideration for the payment of IL. 1,800,000. This agreement becomes effective in 1975 upon the fulfilment of certain conditions specified therein.

17. The financial statements of the preceding period cover the result of operations for the period of fifteen months (from October 1, 1972 to December 31, 1973).

18. Statement Pursuant to Section 107 (5) of the Companies Ordinance

The financial statements of the Bank include dividends received from subsidiaries in the amount of IL. 690,000 (1973 - IL. 210,000) as well as its equity in the post-acquisition retained earnings of subsidiaries in the amount of IL. 2,855,000 (1973 - IL. 878,000).

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE FIRST INTERNATIONAL BANK OF ISRAEL LIMITED

We have examined the balance sheet of the First International Bank of Israel Limited as at December 31, 1974 and the statements of income and appropriation of earnings for the year then ended. We have also examined the consolidated balance sheet of the Bank and its subsidiaries as at December 31, 1974 and the consolidated statements of income and appropriation of earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, including those prescribed in the Auditors Regulations (Mode of Performance) — 1973, and accordingly we have applied such auditing procedures as we considered necessary in the circumstances. The financial statements of one consolidated subsidiary, the assets and revenue of which comprise approximately 17% and 25% respectively of the related consolidated figures, were examined by other auditors.

In our opinion, based on our examination and on the report of other auditors referred to above, the above-mentioned financial statements present fairly, in conformity with generally accepted accounting principles, the financial position of the Bank and the consolidated financial position of the Bank and its subsidiaries as at December 31, 1974 and the results of their operations for the year then ended.

Pursuant to section 109 of the Companies Ordinance, we state that we have obtained all the information and explanations we have required and that our opinion on the above mentioned financial statements is given according to the best of our information and the explanations received by us and as shown by the books of the Bank.

SOMEKH, CHAIKIN, CITRON & CO.
Certified Public Accountants (Isr.)

LUBOSHITZ, KASIERER & CO.
Certified Public Accountants (Isr.)

JOINT AUDITORS

Tel Aviv, February 20, 1975.

f.i.b.i. holding company limited and subsidiaries

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL.	December 31, 1973 (+) IL.
CAPITAL AND SURPLUS			
Share capital	(2)	58,852,000	40,095,000
Surplus			
Special reserve	(3)	850,000	-
General reserve		5,400,000	1,000,000(*)
Unappropriated earnings		8,391,000	2,418,000(*)
		73,493,000	43,513,000
SUBORDINATED CAPITAL NOTES	(4)		
Series "A" Capital Notes, convertible into shares		58,852,000	40,095,000
Series "B" Capital Notes		106,700,000	54,700,000
		165,552,000	94,795,000
		239,045,000	138,308,000
DEBENTURES ISSUED BY SUBSIDIARIES	(5)	206,710,000	100,606,000
DEPOSITS			
Demand deposits		354,740,000	262,507,000
Time and savings deposits		966,230,000	672,000,000
Deposits and loans from Bank of Israel and banking institutions		205,872,000	130,426,000
		1,526,842,000	1,064,933,000
DEPOSITS FOR THE GRANTING OF LOANS			
Government deposits		173,136,000	110,333,000
Deposits and loans from Bank of Israel and banking institutions		361,976,000	208,293,000
Other deposits		186,972,000	110,194,000
		722,084,000	428,820,000
OTHER ACCOUNTS		46,491,000	22,823,000(*)
LIABILITIES ON ACCOUNT OF CUSTOMERS (see contra)			
Documentary credits		116,143,000	54,297,000
Guarantees and other liabilities		278,867,000	183,686,000
		395,010,000	237,983,000
		3,136,182,000	1,993,473,000

(+) Restated (Note 1.A)
(*) Reclassified

	Notes	IL.	December 31, 1973 (+) IL.
CASH IN HAND AND BALANCES WITH BANK OF ISRAEL AND BANKING INSTITUTIONS		639,308,000	534,212,000
TREASURY NOTES		2,984,000	6,530,000
SECURITIES	(6)		
Government debentures		141,556,000	107,137,000
Other debentures		56,213,000	1,974,000
Shares		1,374,000	917,000
		199,143,000	110,028,000
LOANS TO THE GOVERNMENT - including deposits with the Treasury (of which IL.9,288,000 is out of deposits for the granting of loans; 1973 - IL.10,500,000)		107,293,000	44,332,000
LOANS AND NOTES DISCOUNTED			
less provision for loan losses			
Loans and notes discounted		1,019,290,000	599,753,000
Loans out of deposits for the granting of loans		703,664,000	409,678,000
		1,722,954,000	1,009,431,000
OTHER ACCOUNTS	(7)	11,492,000	4,667,000
BANK PREMISES, EQUIPMENT AND OTHER PROPERTY	(8)	41,142,000	28,793,000
EXCESS OF COST OF INVESTMENTS IN SUBSIDIARIES OVER NET ASSETS ACQUIRED	(9)	16,856,000	17,497,000
LIABILITIES OF CUSTOMERS (see contra)			
For documentary credits		116,143,000	54,297,000
For guarantees and other liabilities		278,867,000	183,686,000
		395,010,000	237,983,000
		3,136,182,000	1,993,473,000

M. MOSEVICS, Chairman of the Board

D. GOLAN, Managing Director

The notes to the financial statements form an integral part thereof.

CONSOLIDATED STATEMENT OF INCOME

For the year ended December 31, 1974

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

	Notes	IL.	For the period of 15 months ended December 31, 1973 (+) IL.
OPERATING INCOME			
Interest			
On loans and notes discounted (*)		299,456,000	130,241,000
On deposits with Bank of Israel and banking institutions		39,249,000	42,008,000
On debentures approved for investment (*)		62,951,000	23,966,000
Other income (net) from securities (*)		2,412,000	1,174,000
Commission and other income		38,334,000	23,877,000
		442,402,000	221,266,000
OPERATING EXPENSES			
Interest on deposits and loans (*)		237,054,000	129,628,000
Interest on capital notes convertible into shares		6,617,000	4,998,000
Interest on other capital notes and debentures		75,664,000	16,416,000
Commission		2,644,000	1,433,000
Provision for loan losses		884,000	596,000
Salaries and related expenses		44,875,000	30,132,000(**)
Occupancy of bank premises, net		5,709,000	3,871,000
Depreciation of bank premises, equipment, installations and other property (including amortization of leasehold rights)		1,720,000	1,365,000
Amortization of excess of cost of investments in subsidiaries over net assets acquired and amortization of formation expenses		1,148,000	1,004,000
Other expenses		16,214,000	12,229,000
		392,529,000	201,672,000
Operating income, before taxes on income		49,873,000	19,594,000
PROVISION FOR TAXES ON INCOME	(11)	31,295,000	10,835,000(**)
Operating income, after taxes on income		18,578,000	8,759,000
GAIN ON SALE OF A BUILDING, NET OF LAND BETTERMENT TAX		684,000	-
Net earnings		19,262,000	8,759,000

APPROPRIATION OF EARNINGS

Unappropriated earnings at the beginning of the year		2,418,000	-
Net earnings for the year (preceding period - 15 months)		19,262,000	8,759,000
		21,680,000	8,759,000
Cash dividend - gross	(12)	8,039,000	5,341,000
Transfer to special reserve	(7)	850,000	-
Transfer to general reserve		4,400,000	1,000,000 (**)
		13,289,000	6,341,000
Unappropriated earnings at end of period		8,391,000	2,418,000

(*) Including linkage increments.
(**) Reclassified.
(+) Restated (Note 1.A).

The notes to the financial statements form an integral part thereof.

AUDITORS' REPORT TO THE SHAREHOLDERS OF F.I.B.I. HOLDING COMPANY LIMITED

We have examined the consolidated balance sheet of F.I.B.I. HOLDING COMPANY LIMITED and its subsidiaries as at December 31, 1974 and the statements of income and appropriation of earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, including those prescribed in Auditors Regulations (Mode of Auditor's Performance) 1973, and accordingly we have applied such auditing procedures as we considered necessary in the circumstances.

The financial statements of certain consolidated subsidiaries, the assets and revenue of which comprise approximately 26% and 43% respectively of the related consolidated figures, were examined by other auditors.

In our opinion, based on our examination and on the report of the other auditors referred to above, the above-mentioned financial statements present fairly in conformity with generally accepted accounting principles, the financial position of the Company and its subsidiaries as at December 31, 1974 and the results of their operations for the year then ended.

SOMEKH, CHAIKIN, CITRON & CO. Certified Public Accountants (Isr.)
LUBOSHITZ, KASIERER & CO. Certified Public Accountants (Isr.)

Joint Auditors

Tel-Aviv, February 20, 1975.

NOTES TO THE FINANCIAL STATEMENT

ROUNDED OFF TO THOUSANDS OF ISRAEL POUNDS

Note 1 - ACCOUNTING POLICIES

The principal accounting policies followed in the preparation of the financial statements are as follows:

A. PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the audited financial statements as at December 31, 1974 of the Company and of all its subsidiaries, the principal ones of which are :

- The First International Bank of Israel Limited; "Mavav" Mortgage and Savings Bank Limited; Fortrab Investment Company Limited - wholly owned and controlled.
- The Israel Industrial Bank Limited and Finance Company of The Israel Industrial Bank Limited - wholly owned and 74% controlled.

The financial statements for the preceding period have been restated following the consolidation of a subsidiary (an insurance agency) which was included in the financial statements of the preceding period with investments in shares (on an equity basis) of subsidiaries not consolidated.

The accounts of the provident funds managed by the banks are not included in the financial statements as the banks have no equity in their assets or income.

B. FOREIGN CURRENCY AND LINKAGE - Assets (other than securities) and liabilities in foreign currency and those linked are stated as follows:

Those in foreign currency, or linked thereto - at the official rates of exchange effective at balance sheet date (the exchange rate of the U.S.dollar at balance sheet date was $1 = IL.6.-; 1973 - $1 = IL.4.20).

Those linked to the consumer price index - according to the latest index published prior to balance sheet date.

Those optionally linked to the consumer price index or unlinked are stated at the higher of the two figures based on linkage to the consumer price index plus interest, or without linkage but at a higher rate of interest.

C. ACCRUED INTEREST AND LINKAGE DIFFERENCES - Interest and linkage differences accruing on assets and liabilities are included in the balance sheet with the respective items to which they relate.

D. INCOME AND EXPENSES IN FOREIGN CURRENCY - Income and expenses in foreign currency for the period up to November 10, 1974 (the day on which the official rate of exchange of the Israel pound was changed in relation to the U.S.dollar) have been included in the statement of income at the rate of $1 = IL.4.20, and subsequent to that date at the rate of $1 = IL.6.-. The net income arising from the adjustment of assets and liabilities in foreign currency on the date of the said change is included in the statement of income in the item "Commission and other income".

E. DEBENTURES AND TREASURY NOTES - Debentures approved for investment are stated at cost plus accrued income.

Other unquoted debentures are stated at cost plus accrued income while those quoted are carried at the lower of cost plus accrued income or market, each series of debentures being valued individually.

Capital Notes are stated at cost plus accrued interest.

Treasury Notes are stated at cost plus accrued interest.

"Accrued income" means accrued post-acquisition linkage differences and interest plus a proportionate part of the excess of par value and accrued pre-acquisition interest and linkage differences over cost.

F. INVESTMENTS IN SHARES - Investments in quoted shares are stated at the lower of cost or market, for each share separately, and in unquoted shares at cost, not exceeding net asset value.

G. PROVISION FOR LOAN LOSSES - The provision for loan losses which is deducted from the amount of "loans and notes discounted" has been made on the basis of an evaluation of each individual debt.

H. BANK PREMISES, EQUIPMENT AND OTHER PROPERTY - These assets are included at cost less accumulated depreciation. Depreciation is calculated by the straight line method at annual rates considered to be adequate to write off the assets over their estimated useful lives.

I. EXCESS OF COST OF INVESTMENTS IN SUBSIDIARIES OVER NET ASSETS ACQUIRED - This item is being amortized over a period of 20 years.

J. AMORTIZATION OF DEBENTURE ISSUE EXPENSES - Debenture issue expenses of the subsidiaries are being amortized over the redemption period of the debenture and in proportion to the balances outstanding.

K. FORMATION EXPENSES - The Company's formation expenses are being amortized over a period of five years.

L. TAXES ON INCOME - The provision for taxes on income is after deduction of the income tax applicable to the dividends declared for the current year.

M. SERVICE TAX - Service tax payable under the Service Tax Law (Banking Institutions and Insurance Companies) - 1973 is included in the statement of income as follows :

That part which is based on income - under "Provision for Taxes on Income"

That part which is based on salaries - under "other Expenses".

N. INNER RESERVE - In compliance with directives of the Examiner of Banks effective in the current year, the inner reserve has been included in the balance sheet under "Surplus". Comparable figures at the end of 1973 have been restated retroactively in order to reflect the inclusion of the inner reserve as part of the surplus

Note 2 - SHARE CAPITAL

A. The share capital comprises :

	December 31, 1974 (1973 - same) Registered IL.	Issued IL.	Paid up share capital as at December 1974 IL.	19 I
Ordinary shares of IL.100 each	224,999,000	84,463,000	58,852,000	40,0
Founders' share	1,000	1,000	-	
	225,000,000	84,464,000	58,852,000	40,0

B. The amounts not yet paid on the issued shares will be called according to an agreement between the shareholders (known as the "Founders' Agreement) at various times but not later than October 1, 1978.

Note 3 - SPECIAL RESERVE

This reserve, which is presented in the "Capital and Surplus" section of the balance sheet, was created out of the earnings of the First International Bank group of companies as a percentage of the total liabilities of the group's clients. To the extent required, and in accordance with a Directors' resolution, amounts will be re-transferred from this reserve to unappropriated earnings if and when unexpected loan losses arise.

Note 4 - SUBORDINATED CAPITAL NOTES

A. SERIES "A" CAPITAL NOTES, REGISTERED AND CONVERTIBLE INTO ORDINARY SHARES - The Company issued to its shareholders the aforementioned capital notes, at a par value of IL.84,463,000 out of a total issue of IL.100,000,000. IL.57,503,000 relates to fully paid-up capital notes and IL.1,250,000 relates to capital notes of a par value of IL.26,961,000 issued and not yet fully paid-up. The uncalled balance will be called up at various times but not later than October 1, 1978.

These capital notes are redeemable, to the extent that they are not converted into shares, as mentioned hereunder, by equal consecutive half-yearly payments commencing January 1, 1988 and ending July 1, 1997 and, in the event of a winding-up, will rank pari-passu with the series "B" capital notes and subordinate to the deposits and other liabilities.

The above capital notes are convertible, in each year of the years 1983 to 1987, into the Company's ordinary shares at par value, subject to adjustments to be made in the event of the distribution of bonus shares prior to the conversion dates for the capital notes in accordance with the conditions of issue thereof.

The outstanding balance of these capital notes bears interest at a basic minimum rate of 10% per annum with an additional interest of 2.2% for the year 1974 (for the period ended December 31,1973 - 1.7%). In respect of 1975 and subsequent years, additional interest would be due if the average rate of dividends declared for the ten years immediately prior to the year in respect of which the interest is paid exceeds 10%. The rate of additional interest payable shall be one-half of the said excess.

B. SERIES "B" CAPITAL NOTES, REGISTERED - The Company issued to a shareholder capital notes of this series, in the par value of IL.157,000,000. The amount not paid-up at balance sheet date will be called up at various times, but not later than October 1,1978.

These capital notes are redeemable in equal consecutive half-yearly payments commencing January 1, 1992, and ending July 1, 2001 and, in the event of a winding-up, will rank pari-passu with the series "A" capital notes and subordinate to the deposits and other liabilities.

The outstanding balance of the capital notes bears interest at the rate of 10% per annum.

Note 5 - DEBENTURES

The debentures of the subsidiaries are secured by floating charges on their assets. One of the subsidiaries is under an obligation to register mortgages on its real estate property to secure loans given to it.

(Continued on the next page)

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SOCCER PREVIEW — PAUL KOHN

First two teams clash in crucial match

By PAUL KOHN
Jerusalem Post Sports Reporter

TEL AVIV.—First and second placed teams in the National League, Beersheba Hapoel and Netanya Maccabi, clash in Netanya this Saturday in the most crucial match for the championship so far this season.

Netanya Maccabi are the defending champions, while Beersheba Hapoel, this season under the expert coaching of Amazia Lefkowitch, have done far better than pundits expected of them. In recent weeks Netanya Maccabi have not been at their best, which has cost them the top spot in the league. Spiegler, Saroussi and Nachness were only a shadow of their best in last Saturday's 0:0 draw against Tel Aviv Hapoel, and the Netanya team will have to show very considerable improvement if it entertains hopes for points against the Ben Beersheba.

After many weeks of playing the best football in the country, Beersheba Hapoel looked jaded against Ashdod placed Petah Tikva Maccabi last Saturday, a game which the Negev side won 1:0. The Netanya fans realise that it must not lose this game if it hopes to retain the championship, and coupled with home ground advantage, are fancied to pull off a narrow win.

The second big game of the day will be played at the YMCA ground in the Capital, where Jerusalem Beitar are at home in the derby against Hapoel. Jerusalem Hapoel has crept up within three points of the top of the table, and are currently in third place. With Betar in ninth place and with a poorer goal average, Hapoel will be the favoured team for points. But because this is a derby in the keenest sense, league positions should be discounted in forecasting the outcome here. The Hapoel defence is currently in top form, pivoted around Marili, Othman and Azoulai and will not give the Betar forwards much leeway. Betar at home will also not give an inch, and a low or no score draw looks like the likeliest result.

Tel Aviv Hapoel and Bnei Yehuda are still very much involved in the struggle to void relegation. Both clubs have improved their game in recent weeks after their disastrous starts to the season.

Tel Aviv Hapoel are at home to Petah Tikva Maccabi, who seem doomed to relegation. Maccabi have been but of luck, often playing better football than their position would suggest. They could pull off a surprise here, if the ball would run for them, and a draw should not be excluded in forecasts.

Bnei Yehuda return to an extremely difficult task, entertaining Shimshon. This clash of the Hatikva and Yemenite Quarter teams will bring in a full house at the Bnei Yehuda ground. Bnei Yehuda last week inflicted the first on Tel Aviv Maccabi in more than two months, and doubtless are even keener to beat Shimshon. At the same time though, Gideon Damti, Emanuel Cohen and David Shukiyan trounced Haifa Hapoel 5:0, and a repeat of this kind of form must put the odds in favour of another Shimshon win.

Tel Aviv Maccabi are again at home, with luckless Kfar Saba Hapoel as visitors. The Sharon side, at one time so strongly tipped for the championship, have dropped to eighth place. Certainly, Shum, Marchinsky, Vogen and Co. are capable of better football than their string of defeats in the past two months would indicate. Maccabi were uninspiring against Bnei Yehuda last week, and at the best of times are not a goal scoring side. Maccabi scored 19 goals compared to Kfar Saba's 28, and punters on the look-out for a surprise result might take a chance on Kfar Saba Hapoel.

A new high was achieved by the Sportoto Football Pool last week, when close to IL6m. was invested, and IL3m. paid out in prize money. It sounds better than it turned out to be, as 191 punters who marked correctly all 13 games will collect a relatively paltry IL7,500. Twelve correct results win only IL135, eleven results are worth IL16, and there were so many coupons with ten right that fourth prize will not be paid out. Sportoto announced a minimum of IL1.5m. in total prize money this week, including a IL700,000 minimum for first prize.

SPORTOTO GUIDE:

Jerusalem Betar v Jerusalem Hapoel	x
Tel Aviv Maccabi v Kfar Saba Hapoel	2
Tel Aviv Hapoel v Petah Tikva Maccabi	x
Haifa Hapoel v Tel Aviv Betar	1
Bnei Yehuda v Shimshon	2
Hadera Hapoel v Hakoah	1
Netanya Maccabi v Beersheba Hapoel	1
Petah Tikva Hapoel v Jaffa Maccabi	1
Nahliel Hapoel v Ramat Gan Hapoel	x
Herzliya Maccabi v Netanya Hapoel	x
Ashdod Hapoel v Marmorek Hapoel	2
Ramle Betar v Bat Yam Hapoel	2
Ness Ziona v Yahud Hapoel	2

Huge plastic water containers, for use in such emergencies as air raids, are being produced by Eotoplas (a Koor Chemicals subsidiary) in their Jerusalem plant. Each container has a 1000 litre capacity and sells at IL600.

Guide for selecting a Jewish library

"THE JEWISH LIBRARY" is the latest publication of the World Jewish Congress Cultural Department. Its object is to give guidance in selecting books for a Jewish library. Tens of thousands of books on Jewish subjects are available in various languages. Dr. Moshe Katane of the National and University Library, Jerusalem, has selected the major books in every category.

MUSIC REVIEW

DELIGHT IN THE MUSIC

THE YOUNG ARTISTS WEEK organized by the "Sharett Fund for Young Artists" opened with a recital by cellist David Shamban, with Varda Reichfeld at the piano (Tel Aviv, Museum, March 15). Shamban, who studied eight years with Uzi Wiesel, does not merely play, he lets himself go, overwhelming you with his immense joy, his delight in the music and the completeness of his dedication. His is a genuine and natural talent, which does not mean that he is already an accomplished artist. He is still a little rough, ignoring details, intonations and the quality of his tone. But with all his fantastic spontaneity, his drive, enthusiasm and his energy, one could easily forgive him. His faults, however, can and must be remedied.

The Sammartini sonata was still a little nervous and Miss Reichfeld had great difficulty in following. The Kodaly solo sonata, on the other hand, one of the few great contemporary cello works, was already much more balanced and in parts even powerful in its contrasts, expression and in the depiction of the changing moods. However, Shamban was not yet fully capable of comprehending all of the sonata's immense scope.

The second part of the recital was even better. Pendereck's Caprice for cello solo, a brilliant virtuoso piece, although containing little musical substance, could hardly have been presented in a more impressive way. In "Atoms, Molecules and Macromolecules" for cello and piano, an original and effective piece by the young composer Moshe Zorman, in which energy and motion are stored and relieved alternatingly, Shamban, with the composer at the keyboard, felt no less at home.

But the real surprise was the Brahms sonata No. 2 in F major. Following Shamban's complete identification with the three modern works, he suddenly appeared as a powerful interpreter of romantic music. Miss Reichfeld produced a fine piano part and the sonata emerged most convincingly, both emotionally and technically.

Disappointing interpretations

IRINA ZARITZKAYA, though only a few years in Israel, has been ever since successfully teaching at the Tel Aviv Academy of Music. However, her recital (Tel Aviv, Museum, March 13) did not seem to prove that she has adjusted herself, as a performing artist, to her new environment. This was evident both from the choice of her programme and her interpretations. A programme including Schubert's posthumous A major Sonata, three Schubert-Liszt transcriptions, Lizst's own "Lorelei" (another transcription) and "Etude d'Execution Transcendate" in F minor, in the first part, and Chopin in the second, is hardly acceptable. If Miss Zaritzkaya intended to play merely for our newcomers, who constituted the bulk of the audience, she possibly satisfied certain preferences and tastes, but she undoubtedly failed to interest broader circles of music lovers whose complete absence was quite felt.

Not only did the programme seem onesided and limited, but interpretations were disappointing as well. The Sonata was dealt with in a cultivated manner but expressed little personality. The transcriptions require much more imagination and involvement to become meaningful. Zaritzkaya did best in the Chopin pieces: "Berceuse" and six Mazurkas, but even they did not come up to our expectations. Another hazard of the evening was the out-of-tune piano, which was terribly irritating. I therefore spared myself the last item, "Andante Spianato and Grande Polonaise Brillante," and left.

Ravel concert not inspiring

THE ISRAEL CHAMBER ENSEMBLE, conducted by Gary Bertini, devoted a whole evening to Ravel's music (Tel Aviv Museum, March 12). But the concert unfortunately did not prove a very inspiring event. The programme included too many short items — creating a feeling of dispersion rather than of concentration. Some of the pieces were markedly underrehearsed and the two soloists, violinist Lena Bondarenko and baritone Jean-Christophe Benoit from France, did not particularly distinguish themselves. However, the main shortcoming of the concert was the disappointing performance of the Ensemble itself, its strings and its wind section, which did little justice to the requirements of Ravel's sonorities. "Le Tombeau de Couperin," "Tzigane," the orchestral parts of the songs "Trois Chansons Radécasses," "Deux Melodies Hebraiques," "Kaddisch" and "L'Enigme Eternelle," and the cycle "Don Quichotte a Dulcinee," as well as "Pavane pour une Infante Defunte" and the concluding "Danse" — all lacked sonority and colour. Bertini seemed unable to give us a full and eager performance.

Miss Bondarenko had to overcome serious initial nervousness in "Tzigane" but even later on she hardly coped convincingly with the technical problems. Deprived of its virtuoso brilliance, "Tzigane" emerged lacking in momentum and breadth of imagination.

More encouraging were the seven soloists in "Introduction et Allegro pour Harpe, Flute, Clarinette et Quatuor a Cordes" as was Benoit in some of the songs. This singer does not possess a particularly distinguished voice and his capability to modulate timbre and variegate expression is limited.

'Elysees'

TSAVTA'S last 11.11 (Tel Aviv, March 15), introduced a guest piano quartet from France: Quatuor "Elysees," consisting of four young ladies. Their choice for the matinée was: J.C. Bach's quartet in G major, Mozart's piano quartert in G minor, K. 478 and Faure's 1st piano quartet in C minor. Halfway through the first work the pianist, Odile Poisson, had already established herself as the dominant figure among the four.

But unfortunately the works presented were *piano quartets*, and her three companions failed to match her technical and musical level. Her inspired and highly imaginative performance found little response in the strings, who produced a very modest and rather colourless tone, pedestrian phrasing and no spontaneity.

BENJAMIN BAR-AM

Diplomat's wife joins effort to aid deaf children

By LEA LEVAVI
Jerusalem Post Reporter

"ALTHOUGH DIPLOMATS' WIVES often assist charitable organizations by arranging cocktail or bridge parties, it is unusual to find an ambassadress among "rank and file" volunteers. Amata Bacchetti, wife of the Italian ambassador, has decided to do "ordinary" volunteer work — as a driver at Micha, the centre for deaf children in Ramat-Aviv.

"Actually, I never intended to get involved in something like this," she told me when we met at the new Micha centre. "I never have before. Living abroad, always in a different country, is not easy, and so I have never been closely connected with social welfare work. But a few months ago, a friend invited me and a few other women for coffee one morning and someone come to talk to us about Micha. Later, we were invited to visit the centre and I was so moved by the children that I decided to volunteer."

There are 23 volunteers who help transport the children and their mothers to the centre one or two mornings a week. Children begin coming to Micha with their mothers at the age of six months, first for individual lessons in the use of the hearing aid, vocalization and speech, and later two days a week to nursery school. It is often difficult for mothers to bring the children back and forth, and until volunteer drivers were recruited this led to absenteeism. Today, volunteers bring mother and child to Micha, wait for them and take them home.

"The father of one child brings two of them on his way to work, so I just come and take them home — usually two children and one mother, who live in Ramat-Chen. At first it was difficult because I didn't know the roads, but now I'm used to the route. Occasionally there's a third child who has to be taken to an area I don't know, but somehow I manage," says the ambassadress.

"I don't think I'm doing anything so very special. How long does it take — three quarters of an hour? I have my mornings free and I can do more or less whatever I like. This is something I want to do, though I confess I would enjoy it better if I could talk to the mother and learn more about the children. I think social welfare work involving children has a special attraction for all of us — and here in Israel you are so well organized in this field. I have never done this before, as I said, but then Israel is different from any other country."

* * *

IN ADDITION TO the drivers, five specially-trained women volunteers visit the homes of deaf children whose parents cannot work with them, giving the supplementary home help the parents are usually taught to give. These volunteers help where the parents themselves are deaf, or are unwilling to accept the deaf child or for other reasons cannot take on the responsibility.

"Usually," explained Ethel Cohen, American-born teacher of the deaf and now director of the Micha centre, "the mother comes with the child and participates in the lessons. Until the child is about two, she actually sits in the classroom and takes part. After that, she sits in an observation room with a one-way mirror, since we find children of that age work best without their mothers present. But she still takes notes on the lesson so that she can help the child at home. We try to get the fathers involved as well, but usually they cannot come during the day because they are at work. When such parental help isn't available, someone has to fill the gap; two mornings a week here is just not enough. These five volunteers — those who are left of about 65 women who took the original training course — give the home lessons."

* * *

THOUGH I had come to meet Mrs. Bacchetti and to hear about Micha's volunteer programme, my talk with Mrs. Cohen touched on many other subjects — including the bug-bear of all work with the handicapped; prejudice, ignorance and misunderstanding.

"Our children complain that people act towards them as if they were retarded," and even professional educators do not always understand, Mrs. Cohen said. From the age of two, the children spend four days a week in regular nursery schools (plus two days at Micha) and at 4½ are integrated into a special kindergarten with about 20 hearing children. By the time they are ready for first grade, the gifted minority can go to regular schools — receiving after-school tutoring at Micha several times a week. Most of the others go into classes for the deaf in regular schools and are slowly integrated into the regular classes according to their ability.

Today, only children with additional problems go to a special school for the deaf. "When I first came here 25 years ago, every deaf child went to a school for the deaf. It was my dream to integrate them as much as possible with hearing children — and today we are accomplishing that. But, and this is the point I want to make, I recently had a meeting with a high-ranking educational official to decide where each child going into first grade in September should be sent. I told him that only one little girl needed to go to the special school for the deaf. We consider that a great step forward, because in past years more children have needed the special school. But the official was disappointed and asked me why I won't send more children to the special school."

f.i.b.i. holding company limited and subsidiaries

NOTES TO FINANCIAL STATEMENTS

(Continued from previous page)

Note 6 - SECURITIES (including payments on account)

A. COMPOSITION:

	December 31, 1974				December 31, 1973			
	Unquoted	Quoted		Total	Unquoted	Quoted		Total
	Recorded value		Market		Recorded value		Market	
	IL.	IL.	IL.	IL.	IL.	IL.	IL.	IL.
Debentures approved for investment:								
Of the Government	40,372,000	93,488,000	101,130,000	133,860,000	34,909,000	70,068,000	70,091,000	104,977,000
Of others	42,501,000	10,279,000	11,058,000	52,780,000	-	-	-	-
	82,873,000	103,767,000	112,188,000	186,640,000	34,909,000	70,068,000	70,091,000	104,977,000
Other debentures:								
Of the Government	7,636,000	60,000	90,000	7,696,000	409,000	1,751,000	1,753,000	2,160,000
Of others	610,000	2,823,000	2,823,000	3,433,000	-	1,974,000	1,974,000	1,974,000
	8,246,000	2,883,000	2,913,000	11,129,000	409,000	3,725,000	3,727,000	4,134,000
Total debentures	91,119,000	106,650,000	115,101,000	197,769,000	35,318,000	73,793,000	73,818,000	109,111,000
Shares of:								
Unconsolidated subsidiaries (provident funds)	1,000	-	-	1,000	1,000	-	-	1,000
Other companies	371,000	1,002,000	1,048,000	1,373,000	329,000	587,000	587,000	916,000
Total shares	372,000	1,002,000	1,048,000	1,374,000	330,000	587,000	587,000	917,000

B. THE RECORDED VALUES OF THE DEBENTURES INCLUDE THE FOLLOWING ACCRUED INCOME:

	December 31 1974 IL.	December 31 1973 IL.
Debentures approved for investment	57,172,000	25,926,000
Other debentures	270,000	61,000
	57,442,000	25,987,000

Note 7 - FORMATION AND DEBENTURE ISSUE EXPENSES

The balance of formation expenses in the amount of IL.557,000 (1973 - IL.736,000) and the balance of debenture issue expenses in the amount of IL.3,437,000 (1973 - IL.2,609,000), which have not yet been amortized, are included in the consolidated balance sheet under assets with "Other Accounts".

Note 8 - BANK PREMISES, EQUIPMENT AND OTHER PROPERTY

A. This item includes premises occupied by group companies, leasehold rights, installations, leasehold improvements, equipment and office furniture, including payments on account. Certain of the bank premises have not as yet been registered at the Land Registry in the names of companies of the group.

B. Buildings are included in the consolidated balance sheet at cost to the group less accumulated depreciation. Cost to the group includes an amount of IL.9,312,000 (1973 - IL.9,529,000) representing the excess of real value, on the basis of a valuation by a land assessor, of the buildings owned by the group over their value as recorded in the books of the subsidiaries on acquisition. The unamortized balance of the above mentioned amount at balance sheet date is IL.8,954,000 (1973 - IL.9,352,000). In management's opinion there is no necessity to provide for land betterment tax which would be payable on the sale of the buildings as they are held for the use of the group and are not intended to be sold.

C. Several of the premises are held on long term leases which will expire in the years 1983 - 1984. Rentals are linked to the consumer price index, but in the case of one lease the basic rental is calculated as a percentage of the current value of the property. Annual rentals payable, based on conditions prevailing at balance sheet date, amount to approximately IL.1,900,000.

Note 9 - EXCESS OF COST OF INVESTMENTS IN SUBSIDIARIES OVER NET ASSETS ACQUIRED

This item represents the excess of the cost of investments in subsidiaries over their net asset value on acquisition after taking into account the real value of the buildings owned by them. In the year of account the said excess was amortized by IL.928,000 (preceding period - IL.764,000).

Note 10 - SEVERANCE PAY AND PENSIONS

The provision for severance pay, which is included under liabilities in the item "Other Accounts", together with regular payments to pension funds, and insurance companies in connection with managers' insurances, cover the commitments of the group for severance pay or pensions to its employees.

The amounts accumulated in the severance pay funds are included with assets in the item "Other Accounts". Profits accrued in the severance pay funds amounting to IL.1,020,000 (preceding period - immaterial) are included in "Commission and other income". The amount provided in the current year for severance pay is included in the statement of income in the item "Salaries and related expenses".

Note 11 - TAXES ON INCOME

A. The calculation of the provision for taxes on income takes into account the dividend for the year of account; expenses which are not recognized for income tax purposes such as amortization of the excess of cost of investments in subsidiaries over net assets acquired and amortization of formation expenses; certain income from securities, part of which is exempt from income tax and part of which is taxed at a lower rate.

B. The provision for taxes on income includes an amount of IL.2,314,000 (preceding period - IL.580,000) being that part of the service tax which is levied on the income of banks.

C. Neither the Company nor the First International Bank has received tax assessments since incorporation.

Other consolidated subsidiaries have received final tax assessments to various dates between the tax years 1968 and 1970.

Note 12 - CASH DIVIDEND, GROSS

The gross dividend is at the rate of 20% "pro-rata temporis" (preceding period - 12½% "pro-rata temporis" calculated on an annual basis) and is proposed to the General Meeting of the Members as a final dividend. Of that dividend an amount of IL.6,816,000 was paid as an interim dividend and the balance is proposed for payment in 1975.

Note 13 - COMMITMENTS AND CONTINGENT LIABILITIES

There are commitments and contingent liabilities in respect of the following:

	December 31 1974 IL.	December 31 1973 IL.
A. Forward contracts for the purchase and sale of foreign currencies for account of clients	1,679,000	9,930,000
B. Improvements to and acquisition of buildings	1,355,000	1,262,000
C. Guarantees (including those given to Courts) in connection with contingencies which may arise as a result of certain events	2,883,000	316,000
D. Claims - including claims for damages (*)	4,192,000	8,115,000

(*) These claims were made against the banks merged in the First International Bank. In the opinion of the legal advisers who are dealing with these claims, the claimants have no reasonable prospects of success. Furthermore, counter-guarantees have been received indemnifying the First International Bank for any loss resulting from the said claims. Accordingly, no provision has been made for such claims.

E. Possible claim for additional taxes on income for the year 1972 which may arise in respect of Export Bank Limited which was merged in the First International Bank. There exists an undertaking by a third party to indemnify the First International Bank for any loss that may arise in the event of such claim.

F. Guarantee to members of provident funds, managed by the banks for the due repayment of the principal sums deposited by the members in the funds. The value of the assets of these funds, as at balance sheet date, is in excess of the amounts guaranteed by the banks. The total amount deposited by the members of the funds as of December 31, 1974, according to unaudited balance sheets, is approximately IL.87 million (1973 - audited balance sheets - approximately IL.59 million). The value of the assets of these funds as of December 31, 1974, according to unaudited balance sheets, is approximately IL.183 million (1973 - audited balance sheets - approximately IL.101 million).

G. On December 31, 1974 the First International Bank entered into an agreement whereby it undertook to acquire the banking business of "Halvaa Vehisachon Hadera Cooperative Society Limited" in consideration for the payment of IL.1,800,000. This agreement becomes effective in 1975 upon the fulfilment of certain conditions specified therein.

Note 14 - COMPARISON WITH FINANCIAL STATEMENTS FOR THE PRECEDING PERIOD

The statement of income for the preceding period relates to the results of the operations in a period of fifteen months (from October 1, 1972 to December 31, 1973). This statement includes the income and expenses of The Israel Industrial Bank Limited and its subsidiaries for a period of three months only, from the date of acquisition (October 1, 1973) to December 31, 1973. In respect of the restatement of the financial statements, see Note 1.A.

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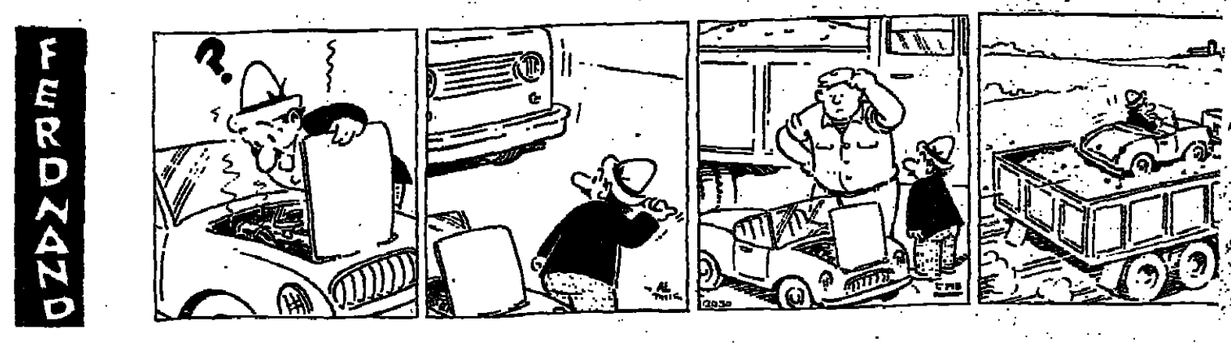

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Newsreels: 8.05 a.m., 5.05 p.m. and 12.05 a.m.

FIRST PROGRAMME
256, 522 and 221 M.
7.58 a.m. Opening. 8.10 "Famous Artists." 9.05 Opera excerpts — Delibes: "Lakme" — excerpts. 10.05 (repeat) Shimon Rochman, harpsichord — music by Muffat, Bach, Rameau, Fretti, de Silva, Soler. 11.00 News in easy Hebrew. 11.05 Ivrit La'am. 11.15 Song *and Melody. 12.05 Barenboim — Perlman —* Zukerman — Piatigorsky — Beethoven: String Trio op. 9, No. 2; Mozart: Piano Quartet, K. 493 (Festival Israel, 1974). 1.05 p.m. Midday Concert — Berlioz: Excerpts from "Romeo and Juliet." 2.10 Mother and Child. 3.03 "Radiodea" — Improving your Knowledge. 3.30 Literature. 3.50 Book Review. 4.10 A Moment of Hebrew. 4.11 (Stereo) Jer. Symph. Orch. — *Lukas Foss* — Beethoven: Violin Concerto (Isaac Stern); Symphony No. 7. 6.05 This Week in the *Knesset. 6.30 On Work and Workers.* 6.55 For the Farmer. 7.05 "Today." 7.25 Bible Reading: Hosea, chaps. 9 and 10. 8.05 Magazine. 9.05 (Stereo) Luigi Dallapiccola: "Il Prigioniere" — Oratorio. 10.05 Family Magazine. 11.05 "The World of Maria Callas" — part III. 12.10 A Moment of Poetry. 12.13 Close Down.

SECOND PROGRAMME
457, 423, 249, 353 and 349 M.
5.58 a.m. Opening. 6.00 Religious Service. 6.10 Exercises. 6.20 Musical Clock. 6.35 Programme Announcements. 6.59 A Moment of Hebrew. 7.05 "This Morning." 7.25 Hebrew Songs. 7.55 Green Light. 8.10 Announcements. 8.15 "Food Morning." 9.05 "Good Morning" (cont.). 10.53 "Here at Home." 11.40 "Where to go and light music." 12.05 "Programme for the Worker and the Employer." 12.30 Hebrew Songs.
1.05 p.m. At Midday. 2.10 Requests. 3.52 Names and events in the Jewish Scene. 4.10 A Moment of Hebrew. 4.11 "Passport to Song" (cont.). 4.30 S. Rosen's Quiz. 4.35 "Passport to Song" (cont.). 5.05 Youth Magazine. 6.05 Oriental Songs. 6.45 Today's Sport. 8.25 *Announcements.* 9.05 "A Matter of Taste." 10.05 "From the Four Corners of the World." 11.05 "Between Ourselves." 1.05 Close Down.

FIFTHE PROGRAMME
445 M.
6.58 Opening. 7.00 News. 7.05 "Who is Afraid of Advanced Pop." 8.00 News. 8.05 "Who Is Afraid of Advanced Pop" (cont.).

IMMIGRANTS' HOUR
457, 423, 256, 249, 355 and 349 M.
7.00 News in easy Hebrew. 7.15 Georgian. 7.30 Yiddish. 8.00 Ladino. 8.15 Mograbi. 8.30 *Rumanian.* 8.45 *Russian.* 9.10 Close Down.

ENGLISH NEWS AND PROGRAMMES
7.00-7.15 a.m. (4th programme and short waves); 1.30-2.00 p.m. (4th programme and short waves); 6.00 p.m. (4th programme); 8.30-8.45 p.m. (4th programme); 10.00-10.55 *p.m. (short waves).*

FRENCH NEWS AND PROGRAMMES
7.15 a.m. (4th programme and short waves); 2.00-2.30 p.m. (4th *programmes and short* waves); 6.05 p.m. (4th programme); 8.45-9.00 p.m. (4th programme); 12.00-1.00 a.m. (short waves).

ISRAEL TELEVISION SE
5.30 News. 5.32 Circus. 5.40 "C Curlews." 8.00 "Cesar's Wo Mabat. 9.00 "Hawaii 5-0." 9. Chaplin — "One A.M." 10.20 of the Week. 10.55 News.
Educational: 3.30 Improve You 4.52 English 8. 4.11 Geometry, 5.00 Youth Magazine.
Arabic: 6.30 News. 6.32 Car "On the Agenda." 7.30 News.

GALEI ZAHAL
5.58 a.m. Morning Prayer. 6 Tunes. 7.55 Programme Trailer Newsreel. 9.05 Requests. 9.1 Justice." 10.05 Requests. 10.55 11.05 *Warm and Tasty.* 11.55 Hassidic Story." 12.05 "Midday With Shaul Biber. 1.05 p.m. Gorlitzky. 2.05 "Two till Fo Shlomo Artzi. 4.05 Please Programme Trailer. 6.05 "Wha cupation." 6.35 Hebrew Hit *"The Profile of Nathan Alter."* "Good Night from Jerusalem." Talks. 12.05 Zahal's Newsreel. Birds" — A Woman and a M Tunes in the Night.

WHAT'S ON

Plant a Tree in Israel with Your Own Hands: free tours for planters to the Hills of Judea leave every Monday and Wednesday from Jerusalem and every Tuesday from Tel Aviv. For details and registration please call Visitors' Department: Keren Kayemet LeIsrael (Jewish National Fund); in Jerusalem, King George Ave., corner Rehov Keren Kayemet. Tel. 02-38261. In Tel Aviv, 96 Rehov Hayarkon, opp. Dan Hotel. Tel. 03-234449.

JERUSALEM
Hadassah Tours.
1. Medical Centre at 9.30 a.m., 11.00 a.m., 12.15 p.m. and 3.00 p.m. Last tour on Friday at 12.15 p.m. Kennedy Building. No charge. Buses 19 and 27.
2. Morning half-day tour of all Hadassah projects. IL12.00 ($2) per person towards transportation. By reservation only: Tel. 416333.
A Stone In David's Tower Sound and Light Show in Jerusalem. Every evening except *Friday, 7.30 p.m. in Hebrew; 8.45 p.m. in* English. Additional show at 10 p.m. - Mon., Tues., Wed., Sat., in English; Sun., Thurs., in French. Tickets: Jerusalem agencies and Citadel box office (evenings). Please come warmly dressed.
ISRAEL MUSEUM: Exhibitions: Otto *Treumann-Graphic Designer, Amsterdam* Henri Cartier-Bresson, Photographs; Micha Bar-Am, Photographs (by courtesy of Agfa); Old Master Prints: Durer, Rembrandt & Others, Rosenbloom bequest (I); 10 Paintings from the collection of Jan Reichwarger; "Past and Present" — the J. Mitchell Gift; Picasso's "Guernica" — a Protest Against Wars; Our Pupils at Work; Ossuaries from Jewish burial caves recently excavated in Jerusalem (at Rockefeller). Hours: Israel Museum: Sun., Mon., Wed., Thurs. 10 a.m.-5 p.m.; Tues. Shrine of the Book & Billy Rose Art Garden: 10 a.m.-10 p.m.; Museum: 4 p.m.-10 p.m.; Rockefeller: Sun., Mon., Tues., Wed., Thurs.
HEBREW UNIVERSITY, tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Mount Scopus tours 11.30 a.m. from Truman Building. Further details: Tel. 35430.
Jerusalem Biblical Zoo, Schneller Wood, Romema. Tel. 533822, 7.30 a.m. — dusk.
AT THE KHAN THEATRE (opposite the Railway Station). A folklore evening for tourists with Inbal dance group: every Wednesday at 9 p.m.

TEL AVIV
TEL AVIV MUSEUM, Sderot Shaul Hamelech. Visiting hours: Sunday, Monday, Wednesday, Thursday: 10 a.m.-5.00 p.m. Tuesday: 10 a.m.-1 p.m.; 4-10 p.m. Saturday: 7-11 p.m. **EXHIBITIONS:** "ALCOA" Collection of Contemporary Art comprising works created by international artists between 1949 and 1970. GEORGES ROUAULT (1871-1956) Zacks Hall. GRAPHIC ART IN FINLAND. ISRAELI ART (Meyerhoff Hall). IMPRESSIONISM (Jaglom Hall) SURREALISM, POST CUBISM (Hall No. 3). KINETIC ART (Haft Hall). PHOTOGRAPHIC EXHIBITION. HELENA RUBINSTEIN PAVILION (6 Rehov Tarsat)
The Helena Rubinstein Art Library (new building) Open: Sun., Mon., Wed., Thurs.; 10 a.m.-4 p.m.; Tues. 10 a.m.-1 p.m., 4 p.m.-7 p.m., Fri. 10 a.m.1 p.m.
MUSEUM OF ANTIQUITIES OF TEL AVIV-YAFO, 10 Rehov Mifratz Shlomo. Open as above.
MUSEUM OF THE HISTORY OF TEL AVIV-YAFO, 27 Rehov Bialik. Open as above but closed Saturday.
HA'ARETZ MUSEUM, Tel Aviv Museum Centre, Ramat Aviv: *(1) Glass Museum;* (2) Kadmon Numismatic Museum; (3) Pottery Exhibition by Israel Banker at the Ceramics Museum; (4) Museum of Science and Technology; (5) Museum of Ethnography and Folklore; (6) Alphabet Museum; (7) Nechushtan Pavilion; (8) Tel-Qasile Ex*cavations; Open: Sun., Mon., Tues., Wed.,* Thurs. 9 a.m.-4 p.m., Fri. 9.00 a.m.-1 p.m., Sat. 10.00 a.m.-2 p.m., entrance free on Saturdays.
Tel Aviv University — Conducted Tours: free conducted tours in English of RAMAT AVIV CAMPUS daily except Saturday. Assembly *point at University 10.30 a.m.* Public Relations Dept.
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National Religious Women's Organization Mizrahi and Hapoel Mizrahi Women in Israel, 166 Rehov Ibn Gvirol, Tel Aviv; Tel. 03-788942, 03-440316. Jerusalem: Tel. 02-30620, 02-35252.
Canadian Hadassah-Wizo Office, 116 Reh. Hayarkon. Tel. 227060, 8 a.m.-2 p.m.
World Wizo Tourists Office, 116 Reh. Hayarkon. Tel. 232939, 8 a.m.-2 p.m.
MOETZET HAPOALOT — PIONEER WOMEN, Courtesy Tours Sunday through Thursday morning. By appointment only. Tel. 261111, ext. 366, Tel Aviv.
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CAESAREA
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B-G Airport Flights

Please call Ben-Gurion Airport Flight Information, 03-971461/2/3 for 03-971333 for El Al flights only) for changes in times of Arrivals and Departures.

THURSDAY
ARRIVALS: Cyprus Airways 302 from Larnaca, 1010; El Al 002 from N. Y., 1220; Alitalia 738 from Rome, 1330; El Al 500 from N.Y. and Montreal, 1350; Lufthansa 634 from Frankfurt 1420; TWA 810 from Boston, Paris and Rome, 1535; THY 996 from Istanbul, 1545; El Al 348 from Zurich, 1625; TWA 840 from N.Y., Rome and Athens, 1705; Swissair 330 from Zurich, 1805; CPA 240 from Toronto, Montreal, Amsterdam and Athens, 1815; El Al 358 from Frankfurt, 1925; BA 484 from London 1935; El Al 456 from London, 2035; El Al 458 from Paris and Rome, 2040; El Al 522 from Nicosia, 2135; Air France 134 from Paris and Lyons, 2150; El Al 154 from Johannesburg and Nairobi, 2155; El Al 450 from Copenhagen, 2215.

DEPARTURES: El Al 153 to Johannesburg 0100; El Al 851 to Amsterdam, Paris and N.Y., 0400; TWA 811 to Rome, Paris, and Boston, 0630; El Al 255 to London and N.Y., 0630; Swissair 321 to Zurich, 0700; El Al 347 to Zurich, 0720; El Al 457 to Rome and Paris 0740; El Al 001 to N.Y., 0800; KLM 526 to Amsterdam, 0810; Air France 137 to Nice and Paris, 0850; El Al 455 to London, 0900; TWA 881 to Athens and N.Y., 0910; BA 485 to London, 0925; El Al 357 to Frankfurt, 1000; Sabena 202 to Brussels, 1010; Cyprus Airways 303 to Larnaca, 1055; El Al 459 to Copenhagen, 1110; Alitalia 739 to Rome, 1425; Lufthansa 633 to Munich and Frankfurt, 1615; THY 997 to Istanbul, 1630; El Al 521 to Nicosia, 1900.

CINEMA

JERUSALEM
4.00, 7.00, 9.00 p.m.
ARNON: The Horse in the Grey 3.30, 5.30, 7.30; **CHEN:** Walking Airport 1975; **EDISON:** A Girl **HABIRAH:** The Man with the **JERUSALEM:** Cabaret, 7.0 **MITCHELL:** The Great Gatsby *Moutarde me monte au nez;* dos; **ORNA:** The Bridge on the 4.00, 8.40 only; **RON:** The **SEMADAR:** *Women in Love,*

TEL AVIV
4.30, 7.15, 9.30
ALLENBY: The Great Gatsb 8.30; **BEN YEHUDA:** Freebie **CINEMA ONE:** The Man wit Gun, 4.30, 7.15, *9.30; CINE* Streetcar Named Desire, 11. 3.45, 5.45, 8.00, 10.00; **CINER** Vengeance, 7.15, 9.30; **EI** Moutarde me monte au n **California Split,** 7.15, 9.30; **FA** l'apres midi, 10.00 a.m., 12.00, *9.30 p.m.;* **CHEN:** Herbie **DRIVE-IN:** Master of the Wo **GAT:** Crazy Sex; **GORDON:** **HOD:** The Man with the **LIMOR:** The Gold Rush; **MA** Siege; **MOGRABI:** Chinatow 9.30; **PEER:** The Prisone Avenue; **OPHIR:** Airport Angels; **RAMAT AVIV:** The Bl 7.45, 9.30, Tuesday 4.30; **STUD** 4.30, 7.00, 9.30; **TCHELET:** Mysteries of the Organism; **TI** White Fang; **ZAFON:** Les Vio

HAIFA
AMPHITHEATRE: Kill and Pl The Man with the Golden Gu Cat and Mouse; **BEIT H** L'Aunee derniere a Marienbad port 1975; **MIRON:** The Ave **MORIAH:** Valley of the D Stavisky; **ORDAN:** Blue An Pepea; **ORLY:** Some like it Crazy Sex; **RON:** Verdict: S sing.

HERZLIYA
TIFFERET: Juggernaut; DA on the Orient Express.

PETAH TIKVA
SHALOM: They call me Balle

NETANYA
ESTHER: Melitta.

RAMAT GAN
ARMON: Oh, Johnny!; **HA** **LILI:** For Fete's Sake; **ORDE** File; **RAMA:** Condotti's Girl; **C** Rides Again; **RAMAT GAN:** **C**

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Saturday Night at the Daniel
DINE
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TEL-AVIV UNIVERSITY
LAW FACULTY
Criminology and Criminal Law Institute
PROF. NORVAL MORRIS
Professor of Criminal Law and Criminology,
Director of the Centre for Criminal Studies, Chicago University
will lecture in English on
The Future of Prisons
Monday, March 24, at 6 p.m., Kagan Hall,
Law Faculty Building, Tel Aviv University, Ramat Aviv.
— The Public is Invited —

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Dudie Silkowitz Seven-A-Side Memorial Tournam
Saturday, April 5, 1975, at Kibbutz Yizre'el
Final National League Matches
Jesse Cohen Stadium, Holon
Saturday, April 22, 1975
1. Tel Aviv University vs. The Hebrew Unive
Kick-off 2.30 p.m.
2. Holon vs. The Technion
Kick-off 4.00 p.m.

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This year, we have again started our special service, KOL BO LEPESSAH, a special shop for Passover requirements. We offer everything necessary for the festival, all with *distinguished* kashrut certificates. Rich varied selection of hand- and machine-made matzes, selected wines and spirits, "blee hashash," fine and crystal sugar, almonds and selected nut varieties, chocolate, jams, compote and fruit juices.
We also provide special aluminium sheets for covering marble *slabs and gas stoves in the kitchen.*
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With: Cilla Grossmeyer — Soprano, Adi Elzion-Zak — Soprano, Eldad Neumark — Harpsichord, Yair Klein — Violin, Shlomo Tydhar — Recorder, Na'ami Rogel — Recorder
Saturday, March 29, 1975, 8.30 p.m. at the Jerusalem Theatre
Tickets at the box office, and agencies.

DIAMONDS direct from th any size in an

New Synagogue of Netanya, 7 McDonald Street
Rabbi Emanuel Forman
will deliver the annual
SHABBAT HAGADOL DRASHA
(Great Sabbath Discourse)
on Saturday, March 22, at 4.30 p.m.
ALL WELCOME

هكذا من الاصل

SINESS & FINANCE

AVIV STOCKS

FIRM AND DULL

Jerusalem Post Reporter

AVIV. — Both stocks and bonds ued to be firm in dull trading day.

n Electricity, which has been ng up and down lately, yester- ose by only one point to stand 8, with a small turnover of

As for stocks in general, the turnover again fell under the one million mark. The exact figure was IL249,500; of this, IL336,900 was in the variables. The turnover in bonds was IL9,870,700.

The general index of share prices rose by 0.05 per cent to stand at 101.54.

		19.3.75	18.3.75
TURES			
ED TO THE			
AR			
d Sea Junior	r	264	—
tric Corp. A	r	—	—
tric Corp. B	r	147.1	—
ED to the INDEX			
pal & Interest)			
65, Index 110.1	b	438	—
1968, Series 41	b	186.1	—
1969, Series 41	b	182	—
ECIAL BANKS			
HOLDING			
ANIES			
Hityashvut	r	215.5	216
pref.	r	231	231
Bankholding	r	192	192
Bank	r	227.5	229
rt Bank "A"	r	430	430
Misrahi Bank	b	157	156.5
spoalim—10%	b	302	302
ermi "A"		250.5	250.5
AGE BANKS			
rtgage Bank	b	264	264
Mortg. & Inv.	b	142.5	142.5
Mortg. Bank	b	238	238
f Morig. Bank	b	166	167
8%	b	229	228
	b	228	226
ALLIED			
CIAL			
TUTIONS			
Dev. Bank 8%	r	65.5	67.5
	r	376	370
Insurance	b	233	232
"C"	b	256.5	250.5
CIAL			
IES & DES			
House	b	74.5	74
	r	151	151.5
rage—IL10	r	135	125.5
lectric Corp.	r	108	107
re & Supply	r	120.5	121
BUILDING OPMENT TRUS			
	r	112.5	112.5
nv. IL10	r	229	230
d Dev.	b	98.5	97.5

Solel Bonah—20%	b	118.6	120
Property & Build.	r	159	159
Isras	b	102	105
Mehadrin	r	157	159
I.C.P. Ltr. Citrus	r	91	91
Anglo-Isr. Investor	b	216	216
Neot Aviv	r	84.5	84.5
Pri Or Ltd.	b	139	140
Rassco—8%	r	77.5	78
Rassco—O.	r	54.5	56
INDUSTRIAL			
Alliance—B	r	400	400
Elco—2.5	b	87	87
Electra—C	r	135	132
"Argaman"—8%	b	173	173
"Ata"—C	b	78	76.5
Dubek	b	356	356
Elect. Wire & Cable	b	133	133
Teva		1120	1120
Chem. & Phosphates	b	135.5	135.5
Levin Epstein	b	64.5	64
Moller Textile	b	190	190
Phoenicia—8%	b	69	69
Paper Mills	r	267	272
Assis "B"	r	164	163
Nechushtan	r	598.5	600
Elite (A)	b	185	186
Shemen—8%	b	107	107
"Taal" Plywood	b	108	108
INVESTMENT & HOLDING COMPANIES			
Elgar	b	83	83.5
Elbern	b	149	146
Israel Central Trade	r	170	170
Bank Hapoalim	r	242	242
Paz	b	92.5	92.5
Wolfson IL10	b	72	70.5
Ampa	b	109.5	109
Discount Bank	b	156.5	156.5
United Mizrahi	b	120	120
Bank Leumi	b	192	192
Piryon Investment	r	100	98.5
Hassuta-For. Trade	r	80	80
Export Bank	b	95	95
Clal Investment	r	203	202
Clal Industries	r	109	109
FUEL & OIL			
Naphta OTC	r	145.5	148
Lapidoth OTC	r	243.5	249.5

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How to make the Arab boycott list—or fight it

By DAVID LENNON
Jerusalem Post Correspondent

LONDON. — The Arab boycott has attracted renewed interest following its recent "successes" in the international banking field.

"Britain and Israel," the pro-Israel lobby, has just published a pamphlet which shows how a company can get on the blacklist, or fight it.

The regulations laid down by the Central Boycott Office in Damascus are highly complex, the pamphlet explains. Their underlying aim is to explain what sort of companies may be blacklisted by the Arab world, and may subsequently be made the objects of discriminatory attack. Any company in the Western world may be singled out for such attack, under any of the following headings:

(1) Owning a main, or branch factory in Israel; (2) owning or setting up assembly plants in Israel; (3) with general agencies or main offices for Middle East operations in Israel; (4) joining in licensing agreements with Israeli companies; (5) holding shares in Israeli undertakings; (6) carrying out consultative services for Israeli firms; (7) having as directors members of joint foreign-Israeli Chambers of Commerce; (8) acting as agents for Israeli firms or as principal importers of Israeli goods; (9) prospecting for natural resources in Israel; (10) refusing to answer Arab questionnaires; (11) using products from Israel; (12) shipping products to or from Israel; (13) transporting any Israeli products anywhere; (14) transporting Jewish immigrants to Israel; (15) sending ships to Arab and Israeli ports on the same round trip; (16) giving loans or subsidies to Israeli public or private firms; (17) distributing or promoting Israeli Government bonds; (18) making films in the Israeli interest or against that of the Arabs; (19) employing actors of Israeli nationality in films; (20) photographing films on location in Israel; (21) carrying out insurance business with Israel.

Other relationships with Israel are vetoed in less explicit terms. But the sense of the regulations is plain: they enable boycott offices to take action against firms anywhere in the world which have any relationship whatever with Israel.

Boycott offices issue demands to companies trading with the Arab world to sign a declaration upon oath that they are not infringing the boycott, and to certify that their own exports do not originate in Israel or contain Israeli-made components. Boycott offices issue questionnaires and demand that they are answered in full — if firms send incomplete answers they are subjected to endless enquiries. "Unsatisfactory" answers to the questionnaires result in fresh demands. Thus:

- A company holding shares in any undertaking defined under the boycott as "suspect" is called upon to sell them.
- A company may be required to sack an executive regarded as personally friendly towards Israel.
- A company may be instructed not to use named vessels on the Arab blacklist for the shipment of goods.
- A company buying raw materials from Israel may be asked to find alternative sources of supply.
- A company bidding in a tender advertised by an Israeli firm, or merely a firm judged to be friendly to Israel, may be required to withdraw its bid.

There are further regulations on what is regarded as "sympathy" towards Israel. This includes:

- Joining an organisation which has at any time supported Israel.
- Contributing money to an organisation with links with Israel.
- Expressing views regarded as an affront to the feelings of an Arab state.
- Appearing in a film sympathetic towards Israel.

Quoting a number of case histories, including the Hilton Hotel chain, "Britain and Israel" shows that if the boycott is resisted the company can frequently continue to operate both in Israel and the Arab world, even if it contravenes one or more of the above "regulations."

EXPERTS SEEK FUEL RESOURCES

Sinai coal mine studied

By ZE'EV SCHUL
Jerusalem Post Reporter

TEL AVIV. — Experts are investigating the possibility of exploiting 51 million tons of coal reserves in Sinai and over 550 million tons of bituminous chalk in the Judean Desert. The explorations are being carried out by panels appointed by the Natural Resources Authority (under the aegis of the Ministry of Development).

A preliminary feasability report on the bituminous chalk deposit is expected within three months, *The Jerusalem Post* learned from well informed sources here this week. It will be followed by a report on the coal mines, named the "Gamal Abdul Nasser Mines" by the Egyptians. They are located at Jebel Maghara 70 kms. south-west of El Arish and 150 kms. from the pre-1967 frontier point at Nkzana.

Initial prospecting in the area was done by a Russian team in 1959. The Egyptian Geological Service took over in 1961, signing a development and prospecting contract with a British technical services company.

Some 3,600 metres of shafts and tunnels have already been drilled. The Egyptians hoped to be able to produce some 300 thousand tons of coal by 1968/70 but were averaging no more than a thousand tons per month in 1967.

A 1967 report compiled by geologist Y. Bartura, formerly a staff member of the Geological Institute of the Ministry of Development urged "the immediate investigation of the mine and a study of its commercial prospects." Considerable quantities of brand new mining equipment were found in the area.

Sources close to the Ministry of Development say feasibility studies were postponed until the recent fuel price hikes. Coal deposits found during prospecting in the Dimona area are also being re-investigated.

Meanwhile the "Public Committee for Abu Rodeis" — which objects to the return of the Sinai oilfields prior to the discovery in Israel of substantial alternative fuel resources—yesterday called on the authorities to set up a government agency to conduct a systematic search for all possible combustible materials and to follow up the recent proposals of the Israel Association of Engineers and Architects to exploit all other sources of energy, like wind, the sun, sea waves and nuclear fission.

THE CONSUMERS' Cooperative Society opened a new supermarket on Tuesday in Neot Afeka, the 74th in its chain. It cost IL3m. and will employ 30 workers.

North Sea oil brings £400m. to Britain

LONDON (UPI). — The North Sea oil industry produced an inflow of foreign capital to Britain last year totalling more than £400m. ($960m.), according to estimates announced by the Bank of England last week.

The bank's quarterly review said this inflow was directly associated with imports of goods and services for use in the exploration and development of the U.K. zone of the North Sea. Altogether, it came to rather more than half the entire sum spent there by all companies, whether British or foreign.

A further major effect on the economy stemming from the oil industry is thought to have come in the field of manufacturing investment. Commenting on the rather surprising fact that this was 10 per cent higher in 1974 than in 1973, the bank said it rose in part from the high level of orders among firms involved in the North Sea, as well among chemicals, steel and heavy engineering companies.

On the international oil situation, the bank said that the exporters' combined revenue in 1974 probably amounted to £40 billion. Revenues paid in sterling totalled approximately £8 billion.

After allowing for the cost of imports, for trade credit on oil exports and for delays in payment, the cash surplus actually available to the exporting countries is thought to have been around £23 billion.

Of this, 37 per cent — or nearly £9 billion — was probably placed in Britain.

Oil exporters are reckoned to have deployed the part of their funds that they keep in the U.K. in the following manner in 1974:

Foreign currency deposits with the banks — that is, on market — £5.75m. Treasury bills £1.1m., sterling deposits £700,000, miscellaneous foreign currency borrowings £500,000, British government stocks £375,000 and shares, property and other sterling investments £300,000 pounds.

CAFE CATERED TO CRIMINALS, OWNER MUST LOSE LICENCE

In the Supreme Court sitting as High Court of Justice
Before Justices Berinson, Witkon and Kister.
Moshe Dabi, Petitioner, v. Minister of Police & Others, Respondents (H.C. 442/74)

The Jerusalem Post LAW REPORT Edited by Doris Lankin

COURT JUSTIFIES DENYING LIVELIHOOD TO OWNER OF CAFE OF ILL-REPUTE

The High Court of Justice discharged an order *nisi* calling upon the Minister of Police and others to show cause why they should not renew the petitioner's licence for a restaurant and cafe.

The petitioner has owned and operated a restaurant and cafe in Jaffa for the last twenty years. On the last occasion when he applied for renewal of his licence his application was rejected on the grounds that his business constituted a danger to public peace and safety within the meaning of section 1 of the Licensing of Businesses Law, 1968. He thereupon petitioned the High Court and was granted an order *nisi*.

On the return day Mr. E. Malchi appeared for the petitioner and Mr. Adiel, Assistant State Attorney, for the respondents.

Decision

Justice Berinson, who delivered the main opinion of the High Court, noted that restaurants and cafes are amongst those businesses requiring licences to operate them under the Licensing of Businesses Law. One of the objects of this Law, he continued, is to prevent any danger to public peace and safety and to this end, under section 6 of the Law, a business of the nature of the petitioner's cannot be licensed without the prior approval of the Minister of Police.

The Jaffa Chief of Police, who was the responsible authority in the present case, continued Justice Berinson, had been of the opinion that the petitioner's cafe served as a gathering place for criminals, pimps, prostitutes and drug-peddlers and as such constituted a danger to public peace. For this reason he had refused to approve the granting of a licence to operate the business.

From the evidence produced by the respondents, he held, it was obvious that this opinion was well-founded. Furthermore, the residents of the area had complained to the police that the petitioner's cafe constituted a nuisance because of the people who frequented it and the noise that emanated from it till the early hours of the morning.

The petitioner had argued, however, that he was duty bound to keep his cafe and restaurant open to everyone who wished to patronise it, that he was not obliged to examine the identity and integrity of his patrons and that under the Control of Commodities and Services Law he was not entitled to refuse to serve anyone who visited his cafe. He had argued further that even if there were known or suspected criminals amongst his clientele he did not have the power to control them or remove them from the premises. These arguments, held Justice Berinson, were of some considerable weight and testified to the dilemma with which restaurant and cafe owners are likely to be confronted. For on the one hand their businesses are intended to serve the public and the law prohibits them from refusing to serve any particular person unreasonably; but, on the other hand, when a business is frequented by undesirable characters, the law empowers the police to withhold their approval for licencing it.

In such circumstances it is clear, he continued, that in order to achieve the purpose of preventing danger to public peace there must be complete cooperation between the owner of the business and the police. However, it was obvious that the petitioner in the present case had not cooperated with the police. For although he was not obliged to examine every casual visitor to his cafe, this did not apply to his regular customers with whose past and present activities he was more or less acquainted, and despite the police request that he inform them whenever undesirable customers frequented his cafe against his will he had failed to do so. Nor had he ever complained to the police about such customers during any of their frequent spot visits to his cafe.

The police, concluded Justice Berinson, had displayed a considerable amount of patience towards the petitioner over a long period of time and had been prepared to help him to conduct his business in a manner conducive to public safety. The petitioner had, however, betrayed no readiness to cooperate with them. So that while there was no doubt that the petitioner would be badly hit financially by the police's refusal to approve renewal of his business licence, there was nothing the High Court could do to help him, and the order *nisi* should be discharged.

Justice Witkon

In concurring with Justice Berinson, Justice Witkon said that just because of the petitioner's inability to carry on his business in a manner which would preclude its becoming a meeting place for criminals and other undesirable characters, there was no room for intervening in the police's decision to withhold approval of renewing his business licence. For this refusal was not meant to punish the petitioner for his lack of good will, but was a legitimate weapon in the police's battle against crime in all forms, including the notorious practice of terrorising cafe and bar owners into allowing undesirable elements to patronise their businesses. Even in the event, therefore, that in the present case the petitioner might not have been at fault, it was clear that the interests of the public in having his cafe closed were preponderant.

Justice Kister concurred with his colleagues.

Order *nisi* discharged.

Reasoned decision given on February 18, 1975.

ISRAEL LANDS ADMINISTRATION

ALLOCATION OF PLOTS FOR THE BUILDING OF HOUSING
TEL AVIV AND CENTRAL DISTRICT
(Invitation of proposals for development agreements)

1. Proposals are invited from those wishing to sign development agreements for the following plots:

Tender No.	Location	Block Mun. Bld. Plan No.	Parcel/Plot	Area, sq.m.
1/75/ta	Tel Aviv	6150	515	1,619
2/75/ta	Tel Aviv	6968	178	950
3/75/ta	Tel Aviv	6969	177	950
4/75/ta	Tel Aviv	6969	176	1,059
5/75/ta	Tel Aviv	6968	157	500
6/75/ta	Tel Aviv	6968	175	749
7/75/ta	Netanya	7952	Hel	2,280
8/75/ta	Rosh Ha'ayin	4532	908	2,000
9/75/ta	Hod Hasharon	6661	221	962
20/75/ta	Ramla	171/Ih	Aleph	2,250
21/75/ta	Ramla	4350	1	750
22/75/ta	Ramla	4350	2	2,250
27/75/ta	Netanya	8232	161	508

2. A copy of the Tender Conditions Form with attachments, and information regarding the tenders are available at the Administration's Tel Aviv district office, 88 Derech Petah Tikva, Floor A, Room 15, on normal working days.
3. Bids must be submitted only on a Form for Proposal for Development Agreement, in accordance with the Tender Conditions Form referred to in para. 2.
4. Bids must be placed in the tender box at the above offices of the Administration by April 23, 1975 (12 noon), and bids not found in the tender box by that time will not be considered.
5. No undertaking is given to accept any bid.

ISRAEL LANDS ADMINISTRATION

LEASING OF PLOT FOR THE ERECTION OF A HEALTH INSTITUTE AT TZOVA, NEAR JERUSALEM

A long term lease is offered on a plot, for the erection of a health institute.

Details as follows:

Tender No.	Municipal Building Plan Number	Number of plots	Area, sq.m.
28/75/ym	191/m.y.	one	23,500

The allocation of the plot to a bidder is dependent on the receipt of a recommendation from the Ministry of Health.
Details, sample agreements and tender forms are obtainable at our Jerusalem District Offices, 6 Rehov Shamai, Floor C, Room 52, on all normal working days.
Recommendations from the Ministry of Health are obtainable from Mr. Yosef Eitan, Director-General of the Ministry of Health, 2 Rehov Ben Tabai, San Simon, Jerusalem.
Last date for requesting a recommendation from the Ministry of Health: April 20, 1975.
Last date for submitting bids: May 21, 1975 (12 noon).
No undertaking is given to accept the highest or any bid.

Israel Lands Administration

LEASING OF PLOTS FOR BUILDING OF OWNER-OCCUPIER HOUSES IN TEL AVIV AND CENTRAL DISTRICT

Long term leases are offered on plots for the construction of owner-occupier houses, as follows:

Tender No.	Location	Block	Parcel	Area, sq.m.
17/75/ta	Herzliya	6672	9a	502
18/75/ta	Rishon Lezion	4246	110a	658
25/75/ta	Neve Hadar	6566	95	1,586

Details, sample agreements and tender forms are obtainable in our Tel Aviv District Office, 88 Derech Petah Tikva, first floor, room 15, during normal working hours.
The last date for submitting bids is April 23, 1975, at 12 noon.
The Israel Lands Administration is not obliged to accept the highest, or any, bid.

ISRAEL LANDS ADMINISTRATION
OFFICE OPENED IN EILAT

The Israel Lands Administration opened an office in Eilat on March 1, 1975, at
Eilat Commercial Centre, 2nd floor (above the Ram Cooper Restaurant.)
Reception hours: Tuesday only, 10 a.m.-1 p.m.
Tel. 059-6665.

PAYMENT OF ARMAMENTS—FINANCING TAX ON REAL ESTATE WITH SAVINGS LOAN CERTIFICATES

- In accordance with the Armaments-Financing Tax Regulations, the owner of Savings Loan Certificates 1970 and 1971 may pay their Armaments-Financing Tax on real estate with the certificates.
- If there is a balance after payment of the tax, it will be put against the owner's liability for Property Tax and Armaments-Financing Tax, but no interest will be paid on the balance. If the redemption amount on the certificate is less than the amount of the tax, the owner of the real estate will have to make good the difference in cash.
- The redemption of certificates for the payment of tax on real estate will be on the basis of the index for December 1974, and interest will be calculated for the period up to January 31, 1975.
- Those who wish to pay the tax by early redemption of Savings Loan and Employers' Savings Loan certificates should apply to the Property Tax Office in their district at which the file of their property is held. Such persons should take with them the loan certificate, their identity card and the Armaments-Financing Tax demand.
- If by April 19, 1975, you pay the tax for three years, this will be regarded as final settlement of the tax for this period.

Income Tax and Property Tax Commission

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Fri. 9 a.m.-1 p.m.
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Yen	287.80/10	per $
French Fr.	4.1830/80	per $
Gold price:	$178/179	

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THE JERUSALEM POST

Editor: Lea Ben Dor

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THE MISSING STEP

AFTER CLOSE to two weeks of mediation efforts by Dr. Kissinger there is still no sign that Egypt is prepared to turn a new page in the history of the Arab-Israel conflict. On the contrary, as President Sadat made plain in a press conference Tuesday, Egypt is insistent that the interim agreement now under negotiation should not amend by an iota the state of belligerency that exists. He has therefore rejected the heart of Israel's proposal, which is to enter into a political dialogue about peace and not simply a military dialogue about territory.

He has dismissed as well Israel's suggestions to establish new and pragmatic interrelations between the two countries that would give flesh to a process of moving toward peace. Such relations could be patterned after the "open bridges" policy with Jordan, and would also include cessation of economic and diplomatic warfare. But Egypt fears that such steps too would compromise its belligerent status and standing in the Arab world.

What emerges therefore at this point is an Egyptian attempt to obtain valuable strategic positions in Sinai without compromising its belligerent rights. That this should be achieved in a bilateral agreement with Israel, unconnected with the conditions obtaining on other fronts, does not take us much beyond the pattern of the armistice agreement in 1949, which was also bilateral and more than a truce, but beyond some pious wording, did not alter the state of belligerency or release a process of peace making.

What is different today is Dr. Kissinger's indefatigable effort to somehow find ways of bridging the gap. And with both Israel and Egypt basically intent on an interim agreement and intent on the American role, he has considerable scope in his mediation enterprise.

Yet Egypt's position as enunciated by President Sadat has given the present round of talks a rather different character than might have been expected; namely negotiations aimed to regulate relations with the U.S. rather than between Egypt and Israel.

It is this complex which no doubt exercised the Cabinet yesterday. But no matter how profound the American interest in obtaining an interim agreement, it is something that must be of profound concern to the U.S. as well. For nothing is to be gained by an agreement which does not contain within it genuine prospects of turning the area away from war.

Mr. Rabin has tried strenuously to pilot the negotiations toward confronting this central issue. Unfortunately Egypt appears to have been trying no less strenuously to keep the long tradition of belligerency alive.

'Technological Zionism': Foreign aid programme still a success story

By Aaron Sittner
Jerusalem Post Reporter

A NEW SUB-SOIL irrigation technique for Brazil. A different method of crop rotation for Nepal. Training another eye doctor to combat cataracts and blindness in Malawi. Some exciting ideas for extra-curricular education in Bolivia...

Israel's efforts in the field of international cooperation — modest but impressive — are not new. But, says Shimon Amir, their value to Israel's image grows day-to-day as this country's diplomatic isolation deepens.

Amir, until recently the Foreign Ministry's deputy director-general in charge of the International Cooperation Division, has just returned from New Delhi, where he represented Israel at a meeting of ESCAP — the *UN's Economic and Social Committee for Asia and the Pacific*. The body is one of the world organization's five regional committees devoted to exploring economic and social problems in depth.

Arab opposition

"Unfortunately, we are not admitted into the Middle Eastern committee because of Arab opposition," Mr. Amir told *The Jerusalem Post* in a recent interview. "But, remember, we are also technically in Asia, so we attend the ESCAP, as an observer nation."

Referring to Israel's foreign aid programme as "technological Zionism," Mr. Amir points out: "the countries belonging to ESCAP have no Judaeo-Christian heritage. Their religions — *Hinduism, Buddhism* Shintoism, Taoism, Confucianism — do not identify the Jewish Nation with this part of the Middle East. So, the only impression Israel makes on them is as a socio-economic success story."

For people in underdeveloped Asian countries, the Israeli success story is not industrial growth or, strictly speaking, advanced farming techniques.

"In Asia," says Mr. Amir, "our experts are guiding local people in integrated rural development. This high-sounding term is a concept rather than a technique. It simply means humanizing living in rural conditions. This is achieved by uncovering and solving several interrelated social problems at the same time.

"Using Israel's *merkaz azori kafri* (rural regional centre) as a model, we show our Asian friends how, through organization, a country farmer can make society regard him as a consumer as well as a producer. This approach, like growing healthier crops, gradually leads to a better income — and a better life for the rural family.

"We also share with them our experiences in establishing regional health clinics, schools, houses of worship and administrative and distribution centres — lessons we have learned from our moshavim and kibbutzim."

At the core of these guidance programmes, continues Mr. Amir, is the aim of "narrowing the gap between town and countryside." Thus, to stem the trend from rural to urban living, certain industries — such as food processing — are encouraged to move their plants back from the city to the countryside. As more and more workers leave the city, social pressures are eased and better living conditions follow naturally.

Though Israel speaks softly at such international conferences as ESCAP, its voice is heard and heeded, says Mr. Amir. "Few people in Israel or, for that matter elsewhere, know what the Mekong River Committee is. Well, it happens to be a unit of ESCAP made up of some of the most important people in Vietnam, Cambodia, Laos and Thailand.

"They have joined to coordinate the development of the entire Mekong River region, where millions of people live. And we are proud to say that this important body frequently called on us to help them in their programme — ever since Mordechai Kidron, our former Ambassador to Thailand, introduced them to our expertise along those lines.

"We showed them how, with certain irrigation methods we had developed, it was possible to grow a second crop, to rotate with theirs. We showed them how to set up a farmers' cooperative, to get the best use of their water resources.

"Such work never makes headlines, I guess, but it does make friends — and Israel certainly needs friends."

Last year, Israel sent 362 experts abroad, 80 of them to Asian and Mediterranean countries, and to Oceania. At the same time, 897 foreign trainees came here to study under the International Cooperation Division's auspices, 424 of them from Asia.

The chain-reaction severence of diplomatic relations with Israel by many African countries saddened Shimon Amir, who had come to love the African people by helping them. In his final pape[r] leaves his post (this [is] Amir writes:

"Politicization of dev[el]sues is a regrettable fact, but nevertheless Most of the African co[un]off relations with Isra[el] Yom Kippur War thou[gh] flict did not affect them did the Six Day War broke with Israel, too, a casualty was a promi[nent] ment project in Uda V[alley] ducted by the Settle[ment] Centre in Rehovot. ... If prevail, much-needed strategy available from play a significant role where it is so badly

An Israeli instructor (to left of girl in white dress) watches as trainees test hardness of w[ood] in an Israel-sponsored agricultural extension course in the Philippines.

"You didn't tell me that the Israelis want something for the pull-back!..."

Bartt

ISRAEL PRESS

The non-belligerency issue

HATZOFE (National Religious), commenting on the remark of a U.S. spokesman that there could be no agreement if the two sides did not begin to bridge the gap between *their positions, remarks* that Israel was open towards agreement, and that it was Egypt that was holding up a settlement. "You cannot talk of a rapprochement between the two sides so long as Egypt maintains its objection to a cessation of the state of belligerency. In his three visits to Aswan, Dr. Kissinger has been asked to bring back the Egyptian answer to the crucial issue of non-belligerency. Every time the reply has been negative. In his fourth visit, he will have to pose it again since that remains the key question in any talks with Cairo conducted through U.S. mediation."

DAVAR (Histadrut) says that though the situation in Cambodia and Vietnam is rapidly deteriorating, this is of less interest to the U.S. today than the situation in the Mediterranean basin. "A pro-Communist regime in Portugal would constitute a clear threat to the Western military disposition in both the Atlantic and the Mediterranean, particularly as upheavals may be expected in Spain after Franco, and there is growing pressure in Italy to bring the Communists into the government, and both Greece and Turkey are involved in the Cyprus dispute."

The paper thinks it likely that Portugal will in the very near future become a popular republic under left-wing military rule based on the Communists and their allies.

"The situation in Portugal is also of concern to Israel, not only because of the certain loss of a refuelling station for U.S. aircraft in case an airlift again becomes necessary, but also because of the danger of the Western defence set-up weakening in face of Soviet power."

READERS' LETTERS

Gov't foot-dragging on Kiryat Arba

To The Editor of The Jerusalem Post

Sir, — With reference to Lea Ben Dor's "Parliamentary Report" of March 7, I wish to point out that Kiryat Arba is *not*, to our sorrow, a large township, even by West Bank standards. Governmental foot-dragging has seen to it that in the three and a half years since the first families moved into permanent quarters in Kiryat Arba, only that first stage of some 200 apartments has been completed and occupied.

Moreover, most of the occupants of Kiryat Arba do *not* commute to work in Jerusalem, nor do they busy themselves only with the Yeshiva (there is only one, so far). Most wage-earners find their employment in and around Kiryat Arba itself in industry, municipal and health services, education, security, tourism, and construction.

Finally Sheikh Jaabari *has* in fact made an occasional political statement regarding Kiryat Arba. He has reason to think that worse might have happened to his town than the establishment of Kiryat Arba. Perhaps he is waiting, together with many others, Jew and Arab, to see if the Government really means to follow through.

CHARLES MARCUS
Kiryat Arba, March 11.

Pressure group for immigrants

To The Editor of The Jerusalem Post

Sir, — I was appalled and saddened to read the letter of Mrs. Renate Hersh (March 10) entitled "Destructive bureaucracy." Here is a woman who loves Israel, came to settle here and pleads for a solution to satisfy her husband's desire to become a recognized landscape architect in Israel which he was in the U.S. so they do not have to go back. Yet the Ministry of Absorption didn't find it necessary to reply to this letter which was sent to it for comment.

This is the anachronism of present day realities in Israel. While a number of high officials and public figures are repeatedly travelling to the U.S. to promote increased aliya, a couple like Mr. and Mrs. Hersh with professions required in Israel come all the way from Alaska to settle here, and are neglected until they go away again.

This case and many others bring out the necessity of establishing a National Council for Absorption and Integration of Immigrants which would serve as a pressure group to help new immigrants to overcome unnecessary delays, bureaucratic neglect, etc. and which would also unite in one central body all the parochial activities of voluntary groups engaged in this field.

REUBEN EFRON
Jerusalem, March 12.

Safety rules

To The Editor of The Jerusalem Post

Sir, — I was appalled to see, on a recent TV programme, scenes filmed in an Israeli machine shop and a school machine shop: the machine operators were not observing the simplest rules of safety; long sleeves to the wrist were common, wrist watches were numerous, and nowhere was there any kind of protection for the eyes from flying chips.

Industrial accidents are expensive and add greatly to the cost of production.

GUSTAV E. SCHLESINGER
Haifa, March 6.

Simply murderers

To The Editor of The Jerusalem Post

Sir, — I was shocked to read in your issue of March 7 the report on Thursday's recent terrorist outrage under a headline "13 dead, 12 wounded." I wonder how you could put the Israeli dead and wounded together with those of the terrorists.

The seven terrorist dead were simply murderers of the worst kind and listing them together with the Israeli victims is a shameful piece of reporting.

DAVID BARDACH
Tel Aviv, March 9.

Quantities of vitamin E

To The Editor of The Jerusalem Post

Sir, — In your issue of February 21, I read about the discovery of vitamin E. However, Professor David Gershon cautions against taking it as yet, as it is still in the process of research for use by humans.

I have been taking vitamin E for the past 25 years, and am still taking it, and I am 82. I started taking it at the recommendation of a New York doctor, who stressed the importance of vitamins in general and vitamin E in particular.

SIMCHA JANIS
Ramat Gan, March 3.

Ya'acov Friedler comments:

Professor Gershon is talking about much more massive quantities of vitamin E than Mrs. Janis is taking, and these may be dangerous. *As the article said, no proper tests* have yet been made on humans. Meanwhile, many concoctions containing vitamin E are known on the pharmaceutical market and some may even be useful to the buyer as well as the seller. But the life-extending massive quantities Professor Gershon is talking about are not yet ready for human use.

No pride at all?

To The Editor of The Jerusalem Post

Sir,—Tel Aviv has many architecturally interesting old buildings blighted by neglect, almost contempt for property. An old-timer informs me rents are so low they do not provide incentives for renovation. Is there no pride of ownership, civic pride, or pride, period?... It seems to me that property owners are well compensated by the geometric rise in land and real-estate prices, and could afford to try, collectively, to revive the city's inherent charm. And if not collectively, then a single landlord should dare to provide a lead.

MAURICE J. ACCHOTI
Tel Aviv, March 3.

Retirement Planning Soci[ety]

To the Editor of The Jerusalem Post

Sir, — I would like to bring to the attention of your readers an activity which is, in my opinion, of great importance.

It is well known that many people who retire from work are still capable and vigorous individuals. These people are adversely affected by lack of activity and the feeling that they are no longer needed. A number of people who are concerned with this problem have come up with the idea of setting up a group whose members would be prepared to work and live in one of the develo[ping] where their skills and e[x]greatly needed. These actually live in the to[wn] an integral part of the and work in the area [who] are competent.

If you are interested further information, Retirement Planning Soc[iety] halutz Street, P.O.B. 5[2] Com-

RABBI BER[NARD]
Dean of Students, Ha[ifa]
Haifa, March 11.

Lifts to soldiers

To The Editor of The Jerusalem Post

Sir, — If the army order to its personnel driving army vehicles to give lifts to soldiers was properly enforced, a big step would be taken towards solving this problem. Motorists become resentful when they stop for soldiers and see army cars passing by empty. It seems senseless for the army to spend *millions of pounds to run special* buses for soldiers when so many of its vehicles travel empty.

A few years ago when the Soldiers' Welfare Commit[tee] appeal to the public to soldiers, I wrote a [letter] which you were kind[ly] publish saying that the[y] also participate, but m[y] on deaf ears. Since waged a lone campa[ign] army drivers who pa[ss] ask them why they Apart from a lot of a[ir] forts achieved nothing.

Savyon, March 12.

Bravo, Kishon

To The Editor of The Jerusalem Post

Sir, — Bravo and thank you, Mr. Kishon, for your heartwarming article about religious Jews in Israel. And thank you, *Jerusalem Post*, for publishing a pro-Jewish religious article.

It is a fact, as statistics show, that in the U.S. the percentage of crime, dope and delinquency is very *low among youth who attend* religious schools. It would be of great benefit if the authorities and parents here in Israel would take note of this.

Mr. Kishon is wrong in one matter: it is never to late to come back to religion. A *Baal teshuvah* is accepted with open arms by the Lord as well as by the community.

MARK LINKER
Tel Aviv, February 28.

Fighting terr[orism]

To The Editor of The Je[rusalem Post]

Sir, — There are o[fficial intelli]gence services] fighting terrorism besid[es the army] (in addition to) military re[search] would like to propose [that Israel] ernment adopt as its [official] cy that every act of [terror] commemorated by the [erection] a settlement on the [West Bank]

NAT[HAN]
Haifa, March 9.

PENFRIEN[DS]

BARBARA KARFF (17), [of 7621 Un]Drive, East Norwich, [New York] is a high-school senior who [would like to] correspond with young [people] interested in painting, mu[sic]

R.H. UGL (20), of 7621 Un[ion] Manchester Str. 2, West G[ermany] like to have Israeli penfr[iends] student of mathematics [and physics] are horse riding, tennis [and] skiing after-[work] hunter terrier [and] and will [be] term on [a] the Knes[set] him spe[cial] with Dr. [Yadin] which [he] proceed[ing] Yesh[iva] T[he]

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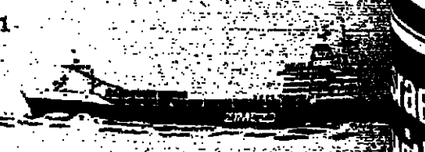
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